



PRAJAY ENGINEERS SYNDICATE LIMITED

MD		BKC	
CS		DPY	
RO		DIV	
TRA		AC	
AGM		SH	
YE			

3rd

ANNUAL REPORT

Report  junction.com

1996-97

Report  junction.com

BOARD OF DIRECTORS

SRI D.S.P. REDDY

SRI D.S. CHANDRA MOHAN REDDY

SRI D. VIJAYSEN REDDY

SRI K. RAVI KUMAR

CHAIRMAN

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

DIRECTOR

AUDITORS

SRI S.V. RANGAN

Chartered Accountant

1-8-229/10,

Prender Ghast Road,

Secunderabad - 500 003.

BANKERS

INDIAN OVERSEAS BANK

Plot No. 183, P.B. No. 2,

Alwal,

Secunderabad - 500 010.

STATE BANK OF INDIA

King Kothi,

Hyderabad-500 001.

REGISTERED OFFICE

4-1-2/4, Eden Gardens,

Ramkote,

Hyderabad - 500 001.

PRAJAY ENGINEERS SYNDICATE LIMITED

NOTICE

Notice is hereby given that the Third Annual General Meeting of the members of Prajay Engineers Syndicate Limited will be held on Monday the 29th day of September, 1997 at 3.30 P.M. at Belsons Taj Mahal Hotel, 82, Main Guard Road, Secunderabad-500 003 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 1997 and the Balance Sheet as on that date and the reports of Directors and Auditors thereon.
- (2) To appoint a Director in place of Sri. K. Ravi Kumar, who retires by rotation and being eligible, offers himself for reappointment.
- (3) To re-appoint the retiring auditor and to fix their remuneration.

SPECIAL BUSINESS:

- (4) To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 370 and other applicable provisions (if any) of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorised to give guarantee or provide securities, from time to time, in connection with a loan, or loans made by any other person to, or to any person by, other bodies corporate provided the aggregate of the guarantee so given or securities as provided shall not at any time exceed the sum of Rs.20.00 crores."

- (5) To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"Resolved that in supersession to the resolution passed at the Extra-Ordinary General Meeting held on 16th August, 1995, consent of the Company be and is hereby accorded under the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of directors of the Company authorising to borrow any sum or sums of monies from time to time which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up Capital of the Company and its Free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not at any time exceed Rs. 20.00 Crores (Rupees Twenty Crores Only)."

By Order of the Board
for Prajay Engineers Syndicate Limited

Place: Hyderabad, D.S.Chandra Mohan Reddy
Date : 27th August, 1997. Managing Director

NOTES:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company.
- (2) Proxy, in order to be effective, must be deposited at the company's Registered Office not less than 48 hours before the meeting.
- (3) Members are requested to notify immediately any change in their address to the Company's Registered Office with their Ledger Folio No(s).
- (4) The Register of Members and Share Transfer Books of the Company will be closed on 26th, September and 27th September, 1997.
- (5) All correspondence in regard to transfers, transmission, dividends etc., should be addressed only to the Share Department at the Company's Registered Office.
- (6) Members, their representatives and proxies are requested to bring the attendance slip sent herewith, duly filled in, for attending the meeting.
- (7) An explanatory statement as required under Section 173 of the Companies Act, 1956 is annexed herewith.

ANNEXURE TO THE NOTICE:

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the Special Business as set out in the notice:

Item No.4:

The Board of Directors had recommended for giving guarantee/security from time to time during the course of the business to any person(s)/body corporates to the extent of Rs.20 crores. According to Section 370 of the Companies Act, 1956, the approval of members is required for the resolution recommended by the Board.

None of the Directors is interested in the resolution.

Item No.5:

At the Extra-ordinary General Meeting held on 16th August, 1995, the members passed a resolution as required under Section 293(1)(d) of the Companies Act, 1956 authorising the Board of Directors of the company to borrow in excess of paid up share capital and free reserves subject to a limit of Rs.10.00 crores. It is now proposed by the Board of Directors of the company at their meeting held on 27th August, 1997 to increase the borrowing limit from Rs.10.00 crores to Rs.20.00 crores and accordingly recommended the resolution for approval of the members at the ensuing annual general meeting.

None of the Directors is interested or concerned in the resolution.

By Order of the Board
for Prajay Engineers Syndicate Limited

Place: Hyderabad, D.S.Chandra Mohan Reddy
Date : 27th August, 1997. Managing Director

DIRECTORS' REPORT

is To
ad The Members,
of

it Your Directors have pleasure in presenting the Third Annual
s Report of the Company together with the Audited Accounts
for the year ended 31st March, 1997.

1. FINANCIAL RESULTS:

(Rs. in lakhs)

	1996-97	1995-96
Gross Turnover	941.95	822.68
Profit before interest and Depreciation	111.64	71.34
Profit before tax	75.15	69.36
Provision for taxation	27.47	29.30
Profit after tax	47.68	40.06

2. DIVIDEND:

The Directors do not recommend any dividend since the Company requires additional funds for undertaking and completion of the projects on hand.

3. REVIEW OF OPERATIONS DURING THE YEAR:

During the year under review, the company recorded a sales turnover of Rs.941.95 lacs as against previous year turnover of Rs.822.68 lacs and earned a net profit of Rs.47.68 lacs during the year under review. The company had completed 12 projects during the year under review and commenced construction of 19 new projects in addition to undertaking of new projects.

4. PROJECTIONS VS. PERFORMANCE:

(Rs. in lakhs)

	Projections	Performance
Turnover	1805.40	941.95
Net profit	271.01	47.68

The performance for the year under review was affected in view of the fact that the commercial venture at Begumpet, Hyderabad worth about Rs.900 lakhs could not be undertaken due to heavy rock formation inside the earth which is under rectification. This has affected both the projected turnover & profitability of the Company.

5. CURRENT YEAR OUTLOOK:

The Company at present has 19 projects on hand out of which many are in advanced stage of completion. There is a change in the policy of the Government regarding F.S.I. etc., which is likely to affect the operations of the company. In spite of these drawbacks your directors are hopeful of getting better results during the current year as Hyderabad is being developed as a major Information Technology Centre and Info Tech City which is likely to give the

necessary boost to the market.

6. DIRECTORS:

Sri. K. Ravi Kumar, Director will retire by rotation at the ensuing Annual General meeting and being eligible, offers himself for reappointment.

7. DEPOSITS:

The Company has not accepted any deposits from the public during the year under review.

8. AUDITORS:

The present Auditor of the Company Mr. S.V. Rangan. Chartered Accountant, will retire at the conclusion of this Annual General Meeting and being eligible, recommended for reappointment.

9. PARTICULARS OF EMPLOYEES:

The particulars of employees required under Section 217 (2A) of the Companies Act, 1956 read with the provisions contained in Companies (Particulars of Employees) Rules, 1975 as amended to date were not applicable to your company as none of the employees was in receipt of remuneration which in aggregate was Rs.3,00,000 - or more per year nor was in receipt of remuneration for any part of the year of Rs.25,000/- or more per month.

10. INDUSTRIAL RELATIONS:

The company has had harmonious industrial relations throughout the year under review at all levels of organisation. The Company would endeavour hard to maintain this cordial relationship in future also.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo has not been provided as the same is not applicable to the Company.

12. ACKNOWLEDGEMENT:

The Directors have pleasure in recording their appreciation for the valuable assistance extended to the Company by the Indian Overseas Bank and SBI Home Finance Ltd. and also Housing Finance Companies such as LIC Housing Finance, HDFC, CAN FIN, Deewan Housing Finance and Andhra Bank Housing Finance for extending loan facilities to the customers of the company.

Your Directors also place on record their deep sense of appreciation for the dedicated services rendered by all the executives, staff and workers of the Company.

For and on behalf of the Board

Place : Hyderabad,

(D.S.P. REDDY)

Date : 27th August, 1997

CHAIRMAN

PRAJAY ENGINEERS SYNDICATE LIMITED

AUDITORS REPORT

To the members of PRAJAY ENGINEERS SYNDICATE LIMITED

I have audited the attached Balance Sheet of PRAJAY ENGINEERS SYNDICATE LIMITED as at 31st March, 1997 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto, and report that :

- 1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Further to my comments in the annexure referred to in paragraph 1 above, I state that :
 - a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit ;
 - b) In my opinion, proper books of accounts as required by law have been kept by the Company so far as appears from my examination of the books ;
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;
 - d) In my opinion and to the best of my information and according to the explanations given to me, the said Balance Sheet and Profit and Loss Account read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 1997 and
 - ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

Place : Secunderabad
Date : 27-8-1997

For S.V.RANGAN
Chartered Accountant

S.V.RANGAN
Proprietor

**STATEMENT REFERRED TO IN PARAGRAPH
(1) OF MY REPORT OF EVEN DATE**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Fixed assets of the company have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.

3. The Company is a construction company having work sites at various places. The records of the stock of stores and construction materials at job sites are maintained at respective sites which have been verified by the management from time to time. The frequency of the verification is reasonable.
4. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not significant and the same have been properly dealt with in the books of account.
6. In my opinion, on the basis of my examination of the records, valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
7. The company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 or from the companies under the same management as defined under Sub-Section (1B) of Section 370 of the Companies Act, 1956.
8. The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 or to the companies under the same management as defined under Sub-Section (1B) of Section 370 of the Companies Act, 1956.
9. The company has not given any loans or advances in the nature of loans.
10. In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipment and other assets.
11. In accordance with the information and explanations given to me, the transactions in pursuance of arrangements with Companies entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for the same.
12. As explained to me, the company has a procedure for the determination of unserviceable/damaged stores and raw materials. No unserviceable or damaged stores and raw materials were determined during the period.
13. The Company has not accepted deposits from the public.
14. According to the information and explanations given to me the Company's construction activities do not

EII

generate any by-products. The company maintained reasonable records for the sale and disposal of realisable scrap.

15. The Company has an internal audit system commensurate with its size and nature of its business.

16. The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products manufactured by the Company.

17. The company has not registered with the Provident Fund and Employees State Insurance authorities.

18. There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and Excise duty as at 31st March, 1997 which are outstanding for a period of more than six months from the date they became payable.

19. In my opinion and according to the information and explanations given to me, personal expenses have not been charged to revenue account, other than those payable under contractual obligations or in accordance with the generally accepted business practice.

20. The company is not a Sick Industrial Company within

the meaning of Clause (O) of Sub-Section(1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

21. The company has reasonable system of recording receipts, issues and consumption of material and stores and allocating materials consumed to the relative jobs, commensurate with its size and nature of its business.

22. The company has a reasonable system of allocating man hours utilised to the relative jobs, commensurate with its size and nature of its business.

23. The company has a reasonable system of authorisation at proper level and an adequate system of internal control commensurate with the size of the company and the nature of its business on issue of stores and allocation of stores and labour to jobs.

Place : Secunderabad

Date : 27-8-1997

For **S.V.RANGAN**
Chartered Accountant

S.V.RANGAN
Proprietor

Report  junction.com