



PRAJAY ENGINEERS SYNDICATE LIMITED

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6TH ANNUAL REPORT

1999-2000

PRAJAY ENGINEERS SYNDICATE LIMITED

BOARD OF DIRECTORS

SRI D.S.P. REDDY
SRI D.S. CHANDRA MOHAN REDDY
SRI D. VIJAYSEN REDDY
SRI K. RAVI KUMAR
SRI SUMIT SEN
SRI N. RAVINDER REDDY

CHAIRMAN
MANAGING DIRECTOR
EXECUTIVE DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR

AUDITORS

SRI S.V. RANGAN
Chartered Accountant
1-8-229/10,
Prender Ghas Road,
Secunderabad - 500 003.

BANKERS

A.P. MAHESH CO-OPERATIVE URBAN BANK LTD
Himayath Nagar Branch,
Hyderabad - 500 029.

INDIAN OVERSEAS BANK
Plot No. 183, P.B. No. 2,
Alwal,
Secunderabad - 500 010.

REGISTERED OFFICE

4-1-2/4, Eden Garden Road,
Ramkote,
Hyderabad - 500 001.

PRAJAY ENGINEERS SYNDICATE LIMITED

N O T I C E

Notice is hereby given that the Sixth Annual General Meeting of the Members of Prajay Engineers Syndicate Limited will be held on Saturday, the 30th day of September, 2000 at 4.00 P.M. at Central Court Hotel, 6-1-71, Lakdi-ka-pool, Hyderabad - 500 004 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, 2000 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 D.S.P.Reddy, who retires by rotation and being eligible, offers himself for reappointment.
- (3) To re-appoint the retiring auditors and to fix their remuneration.

SPECIAL BUSINESS:

- (4) To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :
 "RESOLVED THAT Pursuant to Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri D.S.Chandra Mohan Reddy be and is hereby re-appointed as Managing Director for a period of 5 years commencing from 16.08.2000 on the following terms and conditions:-
 1. Salary of Rs 30,000/- per month.
 2. Perquisites:
 - (i) Housing: The Managing Director shall be entitled to House rent allowance @ 60% of salary. The expenditure incurred by the company on gas, electricity and water will be valued as per Income Tax rules, 1962.
 - (ii) Medical Reimbursement : Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
 - (iii) Leave Travel Concession : Leave Travel Concession for self and family once in a year incurred in accordance with rules of the Company.
 - (iv) Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
 - (v) Keyman Insurance : Keyman Insurance of an amount, the annual premium of which shall not exceed Rs. 6.00 Lacs.
 - (vi) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director

In case of loss or inadequacy of profits in any Financial Year(s) of the Company, Sri D.S.Chandra Mohan Reddy shall be entitled to receive the remuneration and perquisites as aforesaid as minimum remuneration".
- (6) To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Pursuant to Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Sri D.Vijay Sen Reddy be and is hereby re-appointed as Executive Director for a period of 5 years commencing from 16.08.2000 on the following terms and conditions:-

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1. Salary of Rs 25,000/- per month.

2. Perquisites:

- (i) Housing: The Executive Director shall be entitled to House rent allowance @ 60% of salary. The expenditure incurred by the company on gas, electricity and water will be valued as per Income Tax rules, 1962.
- (ii) Medical Reimbursement : Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- (iii) Leave Travel Concession : Leave Travel Concession for self and family once in a year incurred in accordance with rules of the Company.
- (iv) Club Fees : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Executive Director

In case of loss or inadequacy of profits in any Financial Year(s) of the Company, Sri D.Vijay Sen Reddy shall be entitled to receive the remuneration and perquisites as aforesaid as minimum remuneration".

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

"RESOLVED THAT Pursuant to Sections 198, 269, 309, 310 and other applicable provisions. If any, of the Companies Act, 1956 read with Schedule XIII as amended upto date, Sri Sumit Sen be and is hereby appointed as whole time Director of the Company with effect from 01.02.2000 for a period of 5 years on the following terms and conditions:-

1. Salary of Rs. 6,600/- per month.

2. Perquisites:-

- (i) Housing : The Whole Time Director shall be entitled to House Rent Allowance @ 50% of salary.
- (ii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director

In case of loss or inadequacy of profits in any Financial Year (s) of the Company, Sri Sumit Sen shall be entitled to receive the remuneration and perquisites as aforesaid as minimum remuneration."

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

"RESOLVED THAT Pursuant to Sections 198, 269, 309, 310, 314 and other applicable provisions. If any, of the Companies Act, 1956 read with Schedule XIII as amended upto date, Sri N. Ravinder Reddy be and is hereby appointed as whole time Director of the Company with effect from 01.02.2000 for a period of 5 years on the following terms and conditions:-

1. Salary of Rs.8,000/- per month

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2. Perquisites:-

- (i) Housing : The Whole Time Director shall be entitled to House Rent Allowance @ 50% of salary.
- (ii) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director

In case of loss or inadequacy of profits in any Financial Year (s) of the Company, Sri N.Ravinder Reddy shall be entitled to receive the remuneration and perquisites as aforesaid as minimum remuneration."

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable and subject to such approvals, consents, permissions, and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered as follows:

- (A) Article 1 of the Articles of Association shall include the following definitions at appropriate places:

"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996;

"Depositories Act, 1996" shall include any statutory modification or re-enactment thereof, and

"Depository" shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996"

- (B) Insert the following in the existing Articles of Association and add new Article as Article 10 (A) after Article 10.

"10(A). The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and Rules, if any, framed thereunder".

- (C) Insert the following in the existing Articles of Association and add a new Article as Article 21A after Article 21.

"21(A). In the case of transfer or transmission of shares where the Company has not issued any certificates and where such shares are being held in an electronic and fungible form in Depository, the provisions of the Depositories Act, 1996 shall apply."

- (D) Substitute Article 9 of the Articles of Association by the following Article:

"9. Notwithstanding anything contained in these Articles and in pursuance of Section 77A, 77AA and 77B of the Act, the Board of Directors may, when and if thought fit, buy-back such of the Company's own shares or securities as it may consider appropriate subject to such limits, restrictions, terms and conditions, approvals as may be required under the provisions of Companies Act including the amendment(s) thereof".

By Order of the Board
for Prajay Engineers Syndicate Limited

Place: Hyderabad,
Date : 30th June, 2000

B. S. Chandra Mohan Reddy

(D.S.Chandra Mohan Reddy)
Managing Director

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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) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 19th September, 2000 to Saturday, 30th September, 2000 (both days inclusive).
- (4) An explanatory statement as required under Section 173(2) of the Companies Act, 1956 is annexed herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.4:

Pursuant to Section 269 of the Companies Act, 1956, the Board of Directors of the Company at its meeting held on 16th August, 2000 reappointed Sri D S Chandra Mohan Reddy as Managing Director of the Company with effect from 16.08.2000 subject to the approval of the members in the General meeting. The terms and conditions of his reappointment are set out in the Resolution. None of the Directors of the Company is interested or concerned in the Resolution except Sri D S Chandra Mohan Reddy himself, Sri D Vijay Sen Reddy and Sri D S P Reddy. The Board recommends the Resolution for the approval of the members.

ITEM NO.5:

Pursuant to Section 269 of the Companies Act, 1956, the Board of Directors of the Company at its meeting held on 16th August, 2000 reappointed Sri D Vijay Sen Reddy as Executive Director of the Company with effect from 16.08.2000 subject to the approval of the members in the General meeting. The terms and conditions of his reappointment are set out in the Resolution. None of the Directors of the Company is interested or concerned in the Resolution except Sri D Vijay Sen Reddy himself, Sri D S Chandra Mohan Reddy and Sri D S P Reddy. The Board recommends the Resolution for the approval of the members.

ITEM NO.6:

Pursuant to Section 269 of the Companies Act, 1956, the Board of Directors of the Company at its meeting held on 31st January, 2000 appointed Sri Sumit Sen as Whole time Director of the Company with effect from 01.02.2000 subject to the approval of the members in the General meeting. The terms and conditions of his appointment are set out in the Resolution. None of the Directors of the Company is interested or concerned in the Resolution except Sri Sumit Sen himself. The Board recommends the Resolution for the approval of the members.

ITEM NO.7:

Pursuant to Section 269 of the Companies Act, 1956, the Board of Directors of the Company at its meeting held on 31st January, 2000 appointed Sri N Ravinder Reddy as Whole time Director of the Company with effect from 01.02.2000 subject to the approval of the members in the General meeting. The terms and conditions of his appointment are set out in the Resolution. None of the Directors of the Company is interested or concerned in the Resolution except Sri N. Ravinder Reddy himself and Sri D.S.P. Reddy. The Board recommends the Resolution for the approval of the members.

ITEM NO.8:

(A),(B) & (C): With the enactment of the Depositories Act, 1996 and introduction of the Depository System, some of the provisions of the Act, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The depository system of holding securities in an electronic form is fairly safer and more convenient method for holding and trading in the securities of the a Company. The Company proposes to join the Depository System and it is, therefore, proposed that the Company's Articles of Association be suitably altered to reflect the provisions introduced by the Depositories Act, 1996.

(D): The Companies Act has been amended vide Amendment Act of 1999 by inserting new Sections 77A, 77AA and 77B whereby the Company can purchase its own securities subject to such restrictions, conditions as have been imposed in the aforesaid provisions. At present, the Articles of Association of the Company do not permit the Company to purchase its own shares or securities. Therefore, the Articles of Association of the Company is proposed to be altered by substituting Article 9, as set out in Resolution No. 8 to enable the Company to purchase its own shares and /or securities.

By Order of the Board
for Prajay Engineers Syndicate Limited

Place: Hyderabad,
Date: 30th June, 2000
(D.S. Chandra Mohan Reddy)

(D.S.Chandra Mohan Reddy)
Managing Director