



PRAJAY ENGINEERS SYNDICATE LIMITED

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7TH ANNUAL REPORT

2000-2001

PRAJAY ENGINEERS SYNDICATE LIMITED

BOARD OF DIRECTORS

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

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

AUDITORS

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

BANKERS

A.P. MAHESH CO-OPERATIVE URBAN BANK LTD
Himayath Nagar,
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 **Seventh Annual General Meeting** of the Members of **Prajay Engineers Syndicate Limited** will be held on Friday, the 28th day of September, 2001 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, 2001 and the Balance Sheet as on that date and the Directors' Report and Auditor's Report 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 appoint Auditors of the company 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 Sri D. Chakradhar Reddy who was co-opted as an Additional Director of the company by the Board of Directors and who holds office under section 260 of the Companies Act, 1956 until the date of Annual General Meeting and in respect of whom the Company has received a Notice in writing proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation".

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

"RESOLVED THAT in partial modification of Resolution No.6 passed at the Sixth Annual General Meeting of the company held on 30th September, 2000 for the appointment and terms of remuneration of Sri Sumit Sen as Whole Time Director of the company and in accordance with provisions of Section 269, 309, 310, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the salary of Sri Sumit Sen be revised to Rs. 9,000/- per month and HRA @ 50% of salary with effect from 1st January, 2001 for the remainder of his tenure."

By Order of the Board
for Prajay Engineers Syndicate Limited

Sd/-

Place : Hyderabad
Date : 30th June, 2001.

(D.S. CHANDRA MOHAN REDDY)
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) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 18th September, 2001 to Friday, 28th September, 2001 (both days inclusive).
- (4) An explanatory statement as required under Section 173(2) of the Companies Act, 1956 is annexed.

PRAJAY ENGINEERS SYNDICATE LIMITED

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

ITEM NO.4:

Sri D. Chakradhar Reddy is appointed as Additional Director of the Company at the meeting of the Board of Directors of the Company held on 30th June, 2001 pursuant to Article 73 of the Articles of Association of the Company. His appointment expires at the ensuing Annual General Meeting. He is working Partner in M/s Vijmohan Constructions, Class I R&B Contractors, since 1992. The Company received a notice from a member of the Company proposing his appointment as Director of the Company pursuant to Section 257 of the Companies Act, 1956. The Board recommends his appointment for approval of the Members.

None of the Directors except Sri D. S. Chandra Mohan Reddy, Managing Director, being a relative, is interested in the resolution.

ITEM No. 5:

Pursuant to Section 269 of the Companies Act, 1956, the Members of the Company at their Sixth Annual General Meeting held on 30th September, 2000 approved appointment of Sri Sumit Sen as Whole Time Director of the Company together with terms of remuneration with effect from 1st February, 2000. Subsequently, the Board of Directors of the Company at its meeting held on 31st January, 2001 revised the remuneration of Sri Sumit Sen with effect from 1st January, 2001 subject to the approval of the Members of the Company. The terms of revised remuneration are set out in the Resolution. None of the Directors of the Company is interested or concerned in the Resolution except Sri Sumit Sen. Board recommends the Resolution for the approval of the members.

By Order of the Board
for Prajay Engineers Syndicate Limited

Sd/-
(D.S. CHANDRA MOHAN REDDY)
MANAGING DIRECTOR

Place : Hyderabad
Date : 30th June, 2001.

PRAJAY ENGINEERS SYNDICATE LIMITED

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the **Seventh Annual Report** of the company together with the Audited Accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS :

(Rs. in Lacs)

	2000-2001	1999-2000
Gross Turnover	1555.03	1280.48
Profit before interest and Depreciation	132.53	123.31
Profit before Tax	33.30	9.51
Provision for taxation	12.07	3.35
Profit after tax	21.23	6.16

2. REVIEW OF OPERATIONS :

During the year under review, the Company had taken up 2 more new projects " **PRAJAY MALL**" a prestigious commercial complex at Gowliguda and "PRAJAY BUNGLOWS" Independent Duplex houses near Kompally. The Company has completed PRAJAY AVENUE - II Project during the year under review. Apart from the above, the Company presently has on hand 10 more projects which are ongoing and may continue for further two years. The Company is pleased to inform the members of the Company that "PRAJAY CORPORATE PLAZA" a prestigious Commercial Project has almost been completed. The Company is

making its efforts to sell the floor area and make Brisk business in the Project to fetch good returns to the Company.

3. PERFORMANCE :

During the year under review, the Company recorded a Sales Turnover of Rs 1555.03 lakhs (including other income) as against previous year's Turnover of Rs 1280.48 lakhs and earned a profit of Rs 21.23 lakhs net of tax.

The performance of the year is encouraging when compared to previous year despite the slump in the real estate market. However the Company is expected to do well in the near future.

4. DIVIDEND

The Directors express their inability to declare dividend for the year under review in view of insufficient profits and with a view to conserve resources for the on-going Projects.

5. DIRECTORS

Sri D.S.P. Reddy, Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Sri D. Chakradhar Reddy, who was appointed as Additional Director of the company at the meeting of Board of Directors of the company held on 30th June, 2001 retires at this Annual General Meeting. The company received a Notice from one of the Members

PRAJAY ENGINEERS SYNDICATE LIMITED

proposing his candidature for the office of Directorship and the appointment is placed for the approval of Members.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

(i) That in the preparation of accounts for the financial year ended 31st March, 2001, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review.

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

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 Sri S.V. Rangan, Chartered Accountant, will retire at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

The observations made in the Auditor's Report are dealt with separately in the Notes to the Profit and Loss Account and the Balance Sheet in Schedule 16 of the Accounts which are self explanatory.

AUDIT COMMITTEE

Pursuant to section 292 A of the Companies Act, 1956, the Board of Directors of the company at its meeting held on 30th June, 2001 constituted Audit Committee consisting of Sri D.S.P. Reddy and Sri D. Chakradhar Reddy, non-whole time directors and Sri D. Vijay Sen Reddy, Executive Director of the Company. Sri D. Vijay Sen Reddy is appointed as Chairman of Audit Committee.

9. COMPLIANCE CERTIFICATE

Persuant to Section 383A of the Companies Act, 1956, Compliance Certificate obtained from practising Company Secretary is annexed.

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10. 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. 12,00,000/- or more per year nor was in receipt of remuneration for any part of the year of Rs. 1,00,000/- or more per month.

11. 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.

12. 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 have not been provided, as the same is not applicable to the Company. However the Company has spent the foreign exchange/currency for Rs. 8,99,075/- equivalent to USD 19000 for the year 2000-01 (previous year - NIL).

14. ACKNOWLEDGEMENT :

The Directors have pleasure in recording their appreciation for the valuable assistance extended to the Company by the Indian Overseas Bank, A.P. Mahesh Co-operative Urban Bank and SBI HOME FINANCE LTD., and also Housing Finance Companies such as LIC Housing Finance, HDFC, State Bank of India, Andhra Bank Housing Finance, Home Trust Finance etc., 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

Sd/-

Place : Hyderabad

(D.S. CHANDRA MOHAN REDDY)

Date : 30th June, 2001.

MANAGING DIRECTOR

PRAJAY ENGINEERS SYNDICATE LIMITED

June 30, 2001

COMPLIANCE CERTIFICATE**Registration Number of the Company : 01-17384****Nominal Capital : 9,00,00,000****To****The Members****M/s Prajay Engineers Syndicate Limited.****4-1-2/4, Eden Garden Road,****Ramkote,****HYDERABAD - 500 001**

I Have examined the Registers, Records, Books and Papers of Prajay Engineers Syndicate Limited, Hyderabad as required to be maintained under Companies Act, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2001. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, within the time prescribed under the Act and rules made there under.
3. The Company, being a Public Limited Company, comments are not required on minimum prescribed paid up capital, maximum number of members, invitation to public to subscribe for share and invitation or acceptance of deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 10 times respectively on 30th April, 2000, 30th June, 2000, 31st July, 2000, 16th August, 2000, 13th October, 2000, 31st October, 2000, 23rd November, 2000, 1st December, 2000, 1st January, 2001 and 3rd February, 2001 in respect of which meetings proper notice were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
5. The Company closed its register of members from 19th September, 2000 to 30th September, 2000 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2000 was held on 30th September, 2000 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in minutes book maintained for the purpose.
7. No extra ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.