



PRAJAY ENGINEERS SYNDICATE LIMITED

8TH
ANNUAL REPORT

2001-2002

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
45, ICRISAT Colony, Phase 2,
Secunderabad - 500 009.

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.

Report  junction.com

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 **Eighth Annual General Meeting** of the Members of **Prajay Engineers Syndicate Limited** will be held on Monday, the 30th day of September, 2002 at 2.30 P.M. at Prajay Corporate House, 1-10-63 & 64, Chikoti Garden, Begumpet, Secunderabad - 500 016 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, 2002 and the Balance Sheet as on that date and the Director's 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 a Director in place of Sri K. Ravi Kumar, who retires by rotation and being eligible, offers himself for reappointment.
- (4) To appoint Auditors of the company and to fix their remuneration.

By Order of the Board
for Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 31st July, 2002

Sd/-
(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, 17th September, 2002 to Monday, 30th September, 2002 (both days inclusive).

PRAJAY ENGINEERS SYNDICATE LIMITED

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the **Eighth Annual Report** of the company together with the Audited Accounts for the year ended 31st March, 2002.

1. FINANCIAL RESULTS :

(Rs. in Lacs)	2001-2002	2000-2001
Gross Turnover	1976.43	1555.03
Profit before interest and Depreciation	174.91	132.53
Profit before Tax	55.99	33.30
Provision for taxation	19.99	12.07
Profit after tax	36.00	21.23

2. REVIEW OF OPERATIONS :

During the year under review, the Company had taken up one new project PRAJAY MEADOWS, independent & duplex Bungalows near Road No. 12, Banjara Hills. Apart from the above, the

Company presently has on hand 11 more projects, which are ongoing and may continue for further 2 years.

The Company is pleased to inform you that in the month of August 2001, Company inaugurated the Restaurant called Aahar, and Bar called Patiala Bar in Celebrity Club at Celebrity Homes Resort in Shamirpet. The response we got was very encouraging and hence in the month of January 2002 Company took the decision to launch the membership drive for Celebrity Club and to manage the hospitality services which we were extending to the general public. Hence created "**Celebrity Hospitality Services**" a Division of Prajay Engineers Syndicate Limited at the Prajay Corporate House at Chikoti Gardens, Begumpet, Hyderabad.

We commenced recruitment of staff for Celebrity Hospitality Services in the month of January 2002 and commenced the phase I of our sales operations with the sales of

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Vacation Club Memberships. During the months of February and March 2002 this Division collected Rs. 2.72 Lakhs as advances towards sales of our vacation club memberships. We intend to commence the sales of Celebrity Club memberships as a part, the second phase of our sales operations, which is scheduled to be launched in the first quarter of the next financial year.

3. PERFORMANCE :

During the year under review, the Company recorded a Sales Turnover of Rs. 1976.43 lakhs (including other income) as against previous year's Turnover of Rs. 1555.03 lakhs and earned a profit of Rs 36.00 lakhs net of tax as against previous years net profit of Rs. 21.23 Lakhs.

The performance during 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, and Sri K. Ravi Kumar, Directors will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

6. DIRECTOR'S RESPONSIBILITY STATEMENT

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

(i) That in the preparation of accounts for the financial year ended 31st March, 2002 the applicable accounting standards have been followed along with proper explanation relating to material departures.

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(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, 2002 on 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.

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

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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 have not been provided, as the same is not applicable to the Company. Further foreign exchange earnings and outgo are nil during the year 2001-2002 as against foreign exchange expenditure of Rs. 8.99 lakhs incurred during the previous year.

12. 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/-

(D.S. CHANDRA MOHAN REDDY)
MANAGING DIRECTOR

Place : Hyderabad

Sd/-

(D. VIJAY SEN REDDY)
EXECUTIVE DIRECTOR

PRAJAY ENGINEERS SYNDICATE LIMITED

AUDITOR'S REPORT

To the members of PRAJAY ENGINEERS SYNDICATE LIMITED

1. I have audited the attached Balance Sheet of PRAJAY ENGINEERS SYNDICATE LIMITED as at 31st March, 2002 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. These standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. 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.
4. Further to my comments in the annexure referred to in paragraph 3 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, the Profit & Loss Account and Balance Sheet complies with the mandatory accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e) 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 in conformity with accounting principles generally accepted in India.
- i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2002
and
- ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
- f) Based on the representations made by the Directors of the Company and the information and explanations given to me, none of the Directors of the Company is prima-facie, as at 31st March 2002, disqualified from being appointed as Directors of the Company in terms of Section 274(i)(g) of the Companies Act, 1956.

Sd/-

S.V. RANGAN

Chartered Accountant

Place : Secunderabad

Date : 29th July 2002