

PRAJAY ENGINEERS SYNDICATE LIMITED  
Annual Report 2007-08

PRAJAY



Why did we, at Prajay,  
**have a busy**  
**2007-08**



#### FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# PRAJAY

PRAJAY ENGINEERS SYNDICATE LIMITED

Registered Office: 4-1-2/4, Eden Gardens, Ramkote, Hyderabad - 500 001

## PROXY

\*DPID

Regd. Folio No.

\*Client ID

No. of Shares(s) held

I/We..... of ..... being a member/members of Prajay Engineers Syndicate Limited hereby appoint ..... of ..... or failing him ..... of ..... as my/our proxy to vote for me/us on my/our behalf at the 14TH ANNUAL GENERAL MEETING to be held on Monday, the 29th September, 2008 at 3.00 P.M. at Prajay Corporate House, 1-10-63 & 64, Begumpet, Secunderabad - 16 and at any adjournment thereof.

Signed this ..... day of ..... 2008

Affix 15  
Paise  
Revenue

Note: (1) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting. The Proxy need not be a member of the Company.

\*Applicable for investors holding shares in electronic form.

## PRAJAY ENGINEERS SYNDICATE LIMITED

Registered Office: 4-1-2/4, Eden Gardens, Ramkote, Hyderabad - 500 001

## ATTENDANCE SLIP

\*DPID

Regd. Folio No.

\*Client ID

No. of Shares(s) held

I hereby record my presence at the 14TH ANNUAL GENERAL MEETING of the Company held on Monday, the 29th September, 2008 at 3.00 P.M. at Prajay Corporate House, 1-10-63 & 64, Begumpet, Secunderabad - 16.

Name of the Member: .....  
(In Block Letters):

Name of the Proxy: .....  
(In Block Letters to be filled in if the Proxy attends instead of Member)

Member's/ Proxy Signature: .....

Note: Shareholder/Proxy holder wishing to attend the meeting must bring this Attendance slip to the meeting and hand over the same at the entrance duly signed.

\*Applicable for investors holding shares in electronic form.

# PRAJAY

PRAJAY ENGINEERS SYNDICATE LIMITED

Registered Office: 4-1-2/4, Eden Gardens, Ramkote, Hyderabad - 500 001

## NOTICE

Regd. Office: 4 - 1 - 2/4, Eden Garden, Ramkote Hyderabad - 500 001.

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of Prajay Engineers Syndicate Limited will be held on Monday, the 29th day of September, 2008 at 3.00 P.M. at Prajay Corporate House, 1-10-63 & 64, Chikoti Gardens, Begumpet, Hyderabad- 500016 to transact the following business.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit and Loss Account for the year ended on that date together with schedules annexed thereto and the Reports of the Directors' and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in the place of Sri Sumit Sen, Director, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri N. Ravinder Reddy, Director, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in the place of Sri K. Ravi Kumar, Director, who retires by rotation and being eligible, offers himself for reappointment.
6. To consider and appoint M/s Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution:  

"RESOLVED THAT in modification of the resolution passed at the Thirteenth Annual General Meeting held on 26th September 2007, pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with Schedule XIII to the said Act, and as recommended by the Remuneration Committee, the consent of the members be and is hereby accorded, to revise the remuneration of Sri D. S. Chandra Mohan Reddy, Chairman and Managing Director to Rs. 4,00,000/- per month, with effect from 1st January 2008 for the remaining term of his office and all other terms and conditions remain

unchanged."

"FURTHER RESOLVED THAT in the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary and perquisites and other allowances shall be governed by the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution:

"RESOLVED THAT in modification of the resolution passed at the Thirteenth Annual General Meeting held on 26th September 2007, pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with Schedule XIII to the said Act, and as recommended by the Remuneration Committee, the consent of the members be and is hereby accorded, to revise the remuneration of Sri D. Vijay Sen Reddy, Executive Director to Rs. 4,00,000/- per month, with effect from 1st January 2008 for the remaining term of his office and all other terms and conditions remain unchanged."

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary and perquisites and other allowances shall be governed by the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force."

9. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution:

"RESOLVED THAT in modification of the resolution passed at the Thirteenth Annual General Meeting held on 26th September 2007, pursuant to the provisions of Sections 198, 269, 309 and all other applicable

provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with Schedule XIII to the said Act, and as recommended by the Remuneration Committee, the consent of the members be and is hereby accorded, to revise the remuneration of Sri N. Ravinder Reddy, Director - Operations, to Rs. 3,00,000/- per month, with effect from 1st January 2008 for the remaining term of his office and all other terms and conditions remain unchanged."

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary and perquisites and other allowances shall be governed by the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force."

10. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution:

"RESOLVED THAT in modification of the resolution passed at the Thirteenth Annual General Meeting held on 26th September 2007, pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with Schedule XIII to the said Act, and as recommended by the Remuneration Committee, the consent of the members be and is hereby accorded, to revise the remuneration of Sri Sumit Sen, Director - Marketing to Rs. 1,20,000/- per month, with effect from 1st January 2008 for the remaining term of his office and all other terms and conditions remain unchanged."

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary and perquisites and other allowances shall be governed by the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force."

11. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution:

"RESOLVED THAT in modification of the resolution passed at the Thirteenth Annual General Meeting held on 26th September 2007, pursuant to the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with Schedule

XIII to the said Act, and as recommended by the Remuneration Committee, the consent of the members be and is hereby accorded, to revise the remuneration of Sri K. Ravi Kumar, Director - Technical, to Rs. 1,50,000/- per month, with effect from 1st December 2007 for the remaining term of his office and all other terms and conditions remain unchanged."

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary and perquisites and other allowances shall be governed by the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof, as may, for the time being, be in force."

By Order of the Board  
For **Prajay Engineers Syndicate Limited**  
Sd/-

Hyderabad  
30.08.2008

**D. S. Chandra Mohan Reddy**  
Chairman & Managing Director

#### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself or herself. A proxy need not be a Member of the Company.
2. Instruments of Proxy in order to be effective, must be received by Company, not less than 48 hours before the commencement of the meeting. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person if he or she wishes. A form of proxy is given at the end of the Annual Report.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2008 to 29.09.2008 (both days inclusive)
4. The dividend of Rs.2.50/- per share, as recommended by the Directors for the year ended March 31, 2008, will be paid to those members whose name appear on the Company's Register of Members on 29.09.2008, in accordance with the resolution to be passed by the members of the Company. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose.
5. To avoid loss of dividend warrants in transit and undue delay in respect of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS).

The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding Shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.

6. Members are requested to send all communication relating to shares (Physical and Electronic) to the Company's share transfer agents at the following address:  
M/s. Sathguru Management Consultants Pvt. Ltd.  
Plot No.15, Hindi Nagar,  
Panjagutta, Hyderabad – 500 034.  
Tel: 91-040-23356507, 23350586, 23356975  
Fax: 91-0470-40040554  
Email: info@sathguru.com
7. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS, mandates, nominations, power of attorney, change of address / name etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
8. Members' attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividends.
9. Members / proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.
10. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto. The profile of the directors seeking appointment / re-appointment is provided under Section "Board of Directors" in the Report on Corporate Governance, forming part of the Annual Report.
11. Members are requested to bring their copy of Annual Report while attending the Annual General Meeting.

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

##### **Item No. 7**

Considering the significant contributions made to the growth of the Company by Chairman and Managing Director Sri D.S.Chandra Mohan Reddy, as recommended by the remuneration committee, it is proposed to increase his remuneration to Rs. 4,00,000/- per month effective from 1st January, 2008.

None of the Directors of the Company, other than Sri D. S. Chandra Mohan Reddy & Sri D.Vijay Sen Reddy, is interested or concerned in the said resolution.

##### **Item No. 8**

Considering the significant contributions made to the growth of the Company by Executive Director Sri D. Vijay Sen Reddy, as recommended by the remuneration committee, it is proposed to increase his remuneration to Rs.4,00,000/- per month effective from 1st January, 2008.

None of the Directors of the Company, other than Sri D. S. Chandra Mohan Reddy & Sri D. Vijay Sen Reddy, is interested or concerned in the said resolution.

##### **Item No. 9**

Considering the significant contributions made to the growth of the Company by Whole Time Director Sri N. Ravinder Reddy, as recommended by the remuneration committee, it is proposed to increase his remuneration to Rs.3,00,000/- per month effective from 1st January, 2008.

None of the Directors of the Company other than Sri N. Ravinder Reddy is interested or concerned in the said resolution

##### **Item No. 10**

Considering the significant contributions made to the growth of the Company by Whole Time Director Sri Sumit Sen, as recommended by the remuneration committee, it is proposed to increase his remuneration to Rs.1,20,000/- per month effective from 1st January, 2008.

None of the Directors of the Company other than Sri Sumit Sen is interested or concerned in the said resolution

##### **Item No. 11**

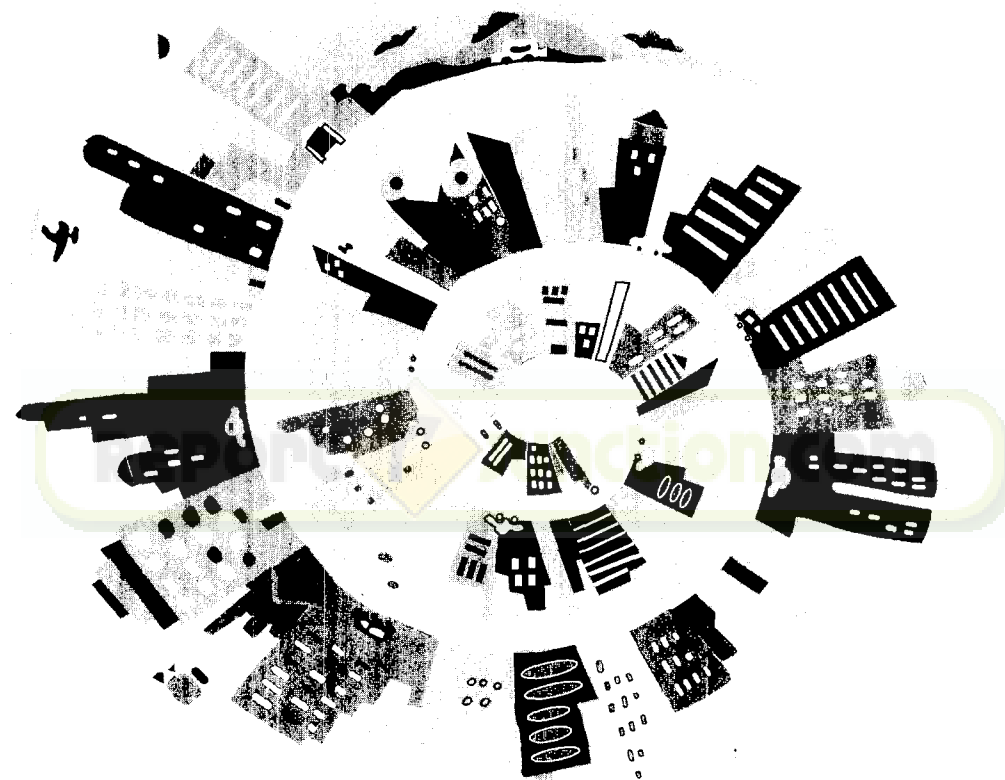
Considering the significant contributions made to the growth of the Company by Whole Time Director Sri K.Ravi Kumar, as recommended by the remuneration committee, it is proposed to increase his remuneration to Rs.1,50,000/- per month effective from 1st December, 2007.

None of the Directors of the Company other than Sri K. Ravi Kumar is interested or concerned in the said resolution.

By Order of the Board  
For **Prajay Engineers Syndicate Limited**  
Sd/-

Hyderabad  
30.08.2008

**D. S. Chandra Mohan Reddy**  
Chairman & Managing Director



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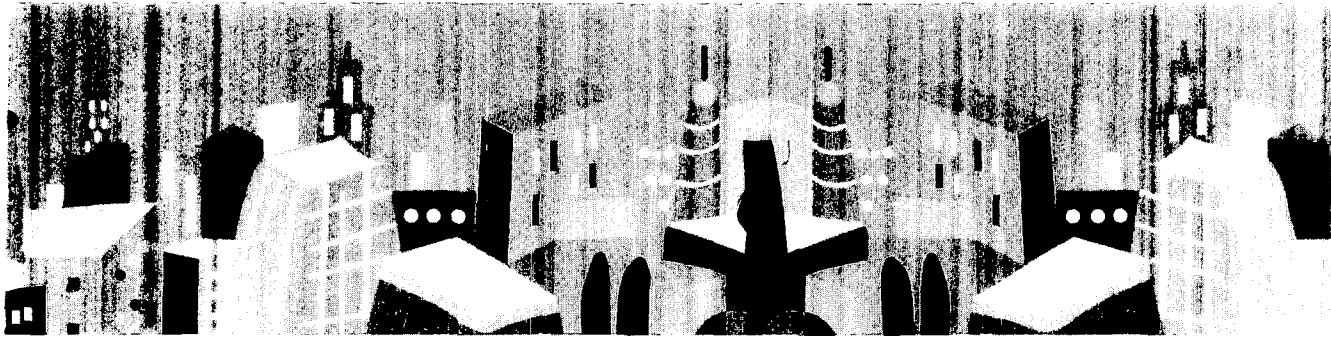




# What kept us busy through 2007-08?



PRAJAY



**Despite the hardening interest rate scenario, Prajay continues to have access to moderately priced debt, on the back of its excellent track record and credibility.**

#### **STABILIZING AND MAINTAINING OUR RATE OF GROWTH ABOVE INDUSTRY AVERAGES.**

In 2007-08, the global economic slowdown affected the real estate sector visibly. The classic makings of a lean phase were visible, with rising interest and input costs and a falling demand. In this scenario, Prajay reported a growth of 70 percent in its consolidated revenues from Rs. 20,132.37 lacs to Rs. 34,401.90 lacs. Our operating profit grew by 37 percent from Rs. 10,045.78 lacs to Rs. 13,781.98 lacs.

#### **ACCELERATING OUR DEVELOPMENT FOR THE FORESEEABLE FUTURE.**

Having delivered over 7 million square feet of development already, 2007-08 saw us preparing for projects encompassing almost 20 million square feet of planned construction across residential, hospitality, retail, commercial and other specialized assets.

#### **CREATING HIGH QUALITY REALTY COMBINED WITH SUSTAINABLE GROWTH IN OUR AREAS OF PRESENCE.**

Our present pipeline of committed projects will translate into almost 54 million square feet of development over a seven year period across 35 diverse and unique projects. Our present land bank is almost 738 acres.

#### **PAVING THE WAY FOR INFUSION OF GREATER FUNDS TO EXPEDITE EXECUTION OF OUR PROJECTS.**

Despite the hardening interest rate scenario, Prajay continues to have access to moderately priced debt, on the back of its excellent track record and credibility. Our total debt of Rs. 106 crore against a net worth of over Rs. 600 crore makes us one of the lowest geared companies in the industry.

Our ability to manage input and finance costs and sell our projects faster allowed us to preserve our margins in a marked low on sentiment. This expertise will translate into higher incremental contribution from property sales in the future, leading to enhanced shareholder value.

#### **MAKING THE GROWTH ACHIEVABLE AND LED BY PEOPLE OF HIGH CALIBER.**

We realigned ourselves to the organizational vision and consequently invested in creating significant execution capability and energy across all divisions, be it project management, project marketing or overall organizational administration, every aspect of the organisation was fortified with the induction of seasoned professionals.

#### **ENSURING THAT OUR GROWTH IS ACHIEVED AT THE MOST CONTEMPORARY BENCHMARKS INTERNATIONALLY.**

We have partnered with world class consultants and service providers for project execution, to ensure that global best practices are adopted in Prajay projects.



## CONSOLIDATED Financial Highlights

Report  junction.com

2007-08 was a year of superior performance. In line with our growth in operations, we posted significant growth in earnings.