





Prajay Gulmohar Project



Prajay Enclave Project

PRAJAY ENGINEERS SYNDICATE LIMITED

BOARD OF DIRECTORS

D. S. Chandramohan Reddy

D. Vijaysen Reddy

K. Ravi Kumar

Sumit Sen

N. Ravinder Reddy

D. Chakradhar Reddy

Vijay Kishore Mishra

N. Nageshwara Rao

Rudresh Veerabhadrapa

M. Raja Gopala Reddy

Chairman & Managing Director

Whole Time Director (Executive Director)

Whole Time Director (Technical)

Whole Time Director (Sales and Marketing)

Whole Time Director (Operations) & CFO

Non-Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director

HEAD - CORPORATE FINANCE

Santosh Kumar Rath

COMPANY SECRETARY

D. Madhavi Latha

LISTING

The Bombay Stock Exchange Limited

National Stock Exchange of India Limited

AUDITOR

S.V. Rangan

Chartered Accountant

REGISTERED OFFICE:

8-2-293/82/A, Plot No.1091,
Road No.41, Near Peddamma Temple,
Jubilee Hills, Hyderabad - 500 033.

WEB SITE:

www.prajayengineers.com

BANKERS

Indian Overseas Bank, Alwal Branch, Secunderabad

State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad

Punjab National Bank, Large Corp Branch, Banjara Hills, Hyderabad

State Bank of Bikaner and Jaipur, Secunderabad

State Bank of Mysore, Secunderabad

Tamilnad Mercantile Bank Limited, Secunderabad.

The Hongkong and Shanghai Banking Corporation Limited (HSBC), Somajiguda, Hyderabad

REGISTRAR AND SHARE TRANSFER AGENTS

Sathguru Management Consultants Private Limited

Plot No. 15, Hindi Nagar, B/H Sai Baba Temple,

Punjagutta, Hyderabad - 500 034

Tel: 91-040-30160333; Fax: 91-040-40040554

Email: info@sathguru.com

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PROFILE OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT TEAM

EXECUTIVE DIRECTORS

D. S. Chandramohan Reddy, (Chairman & Managing Director)

Mr. Reddy is a commerce graduate and began his career as a civil sub contractor. He is the mentor and guiding force behind the company and led the company from its humble beginnings to its present stature. His vision and Mission leads the company to newer heights.

Alert to every opportunity and ready to accept all the challenges, he has been able to diversify the Company's activities into various fields, branding each with his dynamism.

D. Vijaysen Reddy, (Executive Director)

A Chartered Accountant (Inter) and has got more than two decades of rich and varied experience in the construction industry. Mr. Reddy's rich experience drives the successful completion of projects at Prajay. He is also involved with the expansion strategy of the Company and is entrusted with the responsibility of identifying new ventures. He oversees the entire construction activities while his specialized training and broad vision helps energise the Prajay Team.

K. Ravi Kumar, (Director - Technical)

Mr. Ravi Kumar is a Master of Technology and a Civil Engineer, He brings a repository of technical expertise in construction and guides the adoption of progressive building practices to Prajay, steering innovation and quality in the Company.

Sumit Sen, (Director - Marketing & Sales)

A Post Graduate in Commerce and a Diploma Holder in Marketing and Personnel Management, he has served the Indian Air Force for 15 years and secured a diploma in Mechanical Engineering while in service. He is responsible for creating the sales strategy, identifying consumer trends and creating projects around these. He is also oversees the administrative functions. His expertise lies in appropriate pricing and financial structuring.

N. Ravinder Reddy, (Director - Operations & Chief Financial Officer)

A Post Graduate Diploma Holder of Management, he is responsible for the overall operations and also steers the hospitality division of the Company and has got more than a decade experience in the relevant industry. His knowledge of contemporary management practices and financial systems is of immense help to the Company. He is driving the new initiatives of the Company in identifying and executing hotel projects.

NON-EXECUTIVE DIRECTORS

Vijay Kishore Mishra

A qualified Chartered Accountant with more than 23 years of professional experience in the fields of finance and taxation, Mr. Mishra guides the Company in the matters of accounting and taxation harnessing his vast experience in these areas.

N. Nageshwara Rao

A B.Sc. graduate and a renowned figure in the hospitality business, Mr. Rao helps the Company in shaping its strategy for the hotel division. The company benefits from his rich experience and insight into the hospitality industry in the country.

Rudresh Veerabhadrapa

An Architect, who has executed many widely-acclaimed projects in Bangalore, Mr. Rudresh's presence on the Board enables Prajay to strengthen its design capabilities and explore newer markets in and around Bangalore.

D. Chakradhar Reddy

Arts graduate with more than 17 years' experience in Government Contract works and civil works, including road construction, Mr. Reddy's presence enables the Company to strengthen its compliance functions.

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M. Raja Gopala Reddy

Mr. Gopala Reddy is a science graduate with more than 30 years of experience in construction industry and completed many road projects. His rich experience in construction industry and infrastructure sectors helps the company in formulating its new policies in the relevant areas and further enables the company to strengthen its compliance functions.

SENIOR MANAGEMENT

Santosh Kumar Rathi, Head-Corporate Finance

A Post Graduate in Commerce and a CAIIB, Mr. Rathi has rich banking experience at senior levels in various nationalised and private banks. He oversees the corporate finance functions of the Company and steers resource mobilisation. He is additionally responsible for maintaining investor relations.

C.N. Rao, Deputy General Manager - Finance & Accounts

An Honours graduate in Commerce and a Member of ICAI, Mr. Rao has wide industrial and banking experience of more than 22 years. He is heading the Accounts Department and also responsible for liaising with banks, institutions and overall co-ordination in the finance and accounts department.

Madhavi Latha, Company Secretary

A commerce graduate and a qualified member of Institute of Company Secretaries of India (ICSI) with more than six years of working experience in software and construction industry. Ms. Latha's experience of handling various issues under Companies Act, SEBI and Listing Agreement helps the company to have good compliance of corporate governance and other statutes.

PRAJAY ENGINEERS SYNDICATE LIMITED

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Prajay Engineers Syndicate Limited will be held on Friday, the 30th day of September, 2011 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 2011 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 appoint a Director in the place of Sri K. Ravi Kumar, Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Sri N. Ravinder Reddy, Director, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Sri Sumit Sen, Director, who retires by rotation and being eligible, offers himself for reappointment.
5. To consider and appoint Mr. S.V. Rangan, Chartered Accountant, as Statutory Auditor 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 of Directors to fix his remuneration.

By Order of the Board

Place : Hyderabad
Date : 30.08.2011

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 the 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 21.09.2011 to 30.09.2011 (both days inclusive)
4. Members are requested to send all communication relating to transfer, transmission, dividend, Demat etc., of shares (Physical and Electronic) to the Company's Registrar and Share Transfer agents at the following address:

M/s. Sathguru Management Consultants Pvt. Ltd.
Plot No.15, Hindi Nagar,
Panjagutta, Hyderabad - 500 034.
Tel: 91-040-30160333
Fax: 91-040-40040554
Email: info@sathguru.com

5. 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 Registrar and Transfer Agents.

PRAJAY ENGINEERS SYNDICATE LIMITED

6. Pursuant to Sec. 205A(5) of the Companies Act, 1956, the unpaid/unclaimed dividends that are due for transfer to the Investor Education and Protection Fund are as follows:

Sl.No.	Date of Declaration	For the year ended	Due for transfer on
1.	25th August, 2005	31st March 2005	30th September ,2012
2.	29th September, 2006	31st March 2006	4th November,2013
3.	26th September, 2007	31st March 2007	1st November, 2014
4.	29th September, 2008	31st March 2008	4th November, 2015

Members who have not encashed their dividend pertaining to the aforesaid years may approach the company / its registrar for obtaining payments thereof atleast 30 days before they are due for transfer to the said fund.

7. Investor grievance Redressal - the company has designated an exclusive email id investorrelations@prajayengineers.com to enable the investors to register their grievances, if any.
8. Members / proxies are requested to bring duly filled in attendance slips sent herewith for attending the meeting.

IMPORTANT COMMUNICATION TO THE SHAREHOLDERS

The Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance [MCA circular No. 17 & 18 dated 21st April, 2011 and 29th April, 2011] allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. It is a welcome move by the Ministry as it will benefit the society at large through reduction in paper consumption and also ensure prompt receipt of communication and void loss in transit.

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send all documents like General Meeting Notices, Audited Financial Statements, Directors' Report, Auditors' Report etc. and other documents to be sent under Sec. 53 to the shareholders in electronic form to the email addresses provide by them and made available to us by the depositories.

- Members holding shares in Demat form are requested to update their email address with their DPs and any changes therein from time to time.
- Members holding shares in physical form are requested to register their email address with our Registrar's online portal www.pustap.com \emailenrollment directly.

Kindly note that these documents will also be available on the company's website www.prajayengineers.com. The physical copies of the Annual Report will also be available at our Registered Office at Jubilee Hills for inspection during office hours. In case you desire to receive the above mentioned documents in physical form, you are requested to send an email to investorrelations@prajayengineers.com and the same will be provided to you at no extra cost.

PRAJAY ENGINEERS SYNDICATE LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the 17th Annual Report on the business and operations of the Company together with the audited results for the financial year ended 31st March, 2011.

FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars	Year ended 31st March 2011		Year ended 31st March 2010	
	Standalone	Consolidated	Standalone	Consolidated
Gross Turnover	8830.87	8645.55	8410.52	7153.09
Profit before interest and Depreciation	1707.31	1511.75	2019.79	1432.94
Depreciation	432.02	437.04	410.31	454.66
Profit before Tax	466.07	264.88	307.66	(323.55)
Provision for taxation	451.75	451.75	104.44	104.48
Profit after tax	14.31	(193.99)	203.22	(428.03)
Transfer to General Reserve	—	—	—	—
Dividend	—	—	—	—
EPS				
Basic	0.02	(0.28)	0.51	(1.07)
Diluted	0.02	(0.28)	0.29	(0.60)

Despite several odds viz. recession, political unrest, tight borrowing norms and general slow down in the economy and especially in the real estate sector, your company could report a gross turnover of Rs. 8830.87 lacs as against Rs. 8410.52 lacs for the previous year.

In the challenging environment, your Company continued its focus on consolidation, stable growth and risk management. Despite tight liquidity conditions during the second- half of last fiscal, your Company met all its stakeholder commitments in time during the year, including its commitments towards lending institutions.

For a detailed analysis of the performance of the company for the year under review, please refer Management's Discussion and Analysis section of the Annual Report.

DIVIDEND

Your company currently has many projects under implementation. In order to fund these projects in their development, expansion and implementation stages, conservation of funds is of vital importance. Therefore, your directors have not recommended any dividend for the financial year 2010-11.

DEPOSITS

During the year under review, the company has passed a resolution at the board meeting held on 15.10.2010 and released an advertisement on 20.10.2010 under the provisions of Sec. 58A of the Companies Act, 1956 and as per the Companies (Acceptance of Deposits) Rules, 1975 inviting deposits from shareholders, employees and general public and collected about 56.53 lacs till 31st March. As on 31st March, 2011 no amounts were due for repayment and interest is being served regularly as per the terms of the deposit scheme.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Sri K. Ravi Kumar, Sri N. Ravinder Reddy and Sri Sumit Sen, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment and therefore the board recommends their re-appointment at the ensuing Annual General Meeting.

Details of directors appointed / re-appointed are furnished in the Corporate Governance section.

PRAJAY ENGINEERS SYNDICATE LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- (i) in the preparation of Annual Accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed and there has been no material departure;
- (ii) the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company on that date;
- (iii) proper and sufficient care has been taken 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) the annual accounts have been prepared on a going concern basis;

PARTICULARS OF SUBSIDIARY COMPANIES - SEC. 212 OF THE COMPANIES ACT, 1956

Pursuant to the provisions of Sec. 212 of the Companies Act, 1956, documents in respect of subsidiaries viz. Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report are required to be attached to the balance Sheet of the holding company.

In the context of globalization of Indian economy and increased number of subsidiaries and the introduction of accounting standards on consolidated financial statements, Ministry of Corporate Affairs has vide its circular no.2/2011 dated 8th February, 2011 granted general exemption to holding companies from the provisions of Sec. 212 of the Companies Act, 1956 subject to fulfillment of certain conditions mentioned therein.

The Annual Accounts of the subsidiaries and related detailed information will be made available free of cost to any member of the Company/ its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/ its subsidiaries at the head office of the holding company and of the subsidiary companies concerned.

The financial data of the subsidiaries has been furnished along with the Statement pursuant to Sec. 212(1)(e) of the Companies Act, 1956 forming part of Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on consolidated financial statements, the audited consolidated financial statements are attached to this Annual Report.

AUDITORS

The Statutory Auditor Mr. S.V. Rangan, Chartered Accountant holds office until the conclusion of the ensuing Annual General Meeting and being eligible, is recommended for re-appointment. A certificate from the Auditor has been received to the effect that the re-appointment, if made, would be within the limits as specified under Sec. 224(1B) of the Companies Act, 1956.

REPORT ON CORPORATE GOVERNANCE

Your company continuously works to improve its governing practices and processes and always strives to ensure that best practices are identified, adopted and followed. A detailed report on Corporate Governance practices followed by your Company, in terms of Clause 49 (VI) of the Listing Agreement with Stock Exchange is separately provided in this Annual Report. The compliance certificate issued by Sri P. Konda Reddy, Practicing Company Secretary in line with clause 49 of the Listing Agreement is also provided elsewhere and forms part of this Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Pursuant to clause 49 of the Listing Agreement, a report on Management Discussion and Analysis (MDA) for the year under review is given in a separate section in this Annual Report.

CEO's DECLARATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

Declaration as required under Clause 49(1)(D)(ii) of the Listing Agreement with regard to compliance of Code of Conduct of the company is annexed to this Report.

PRAJAY ENGINEERS SYNDICATE LIMITED

PARTICULARS OF EMPLOYEES:

The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, are provided in annexure forming part of this report.

EMPLOYEE RELATIONS

Employee relations were cordial during the year and the Board would like to place on record its appreciation to all the employees of the Company for their continued support and services.

CLARIFICATIONS TO THE OBSERVATIONS MADE IN AUDITORS' REPORT:

Point No.4 (a) and (b):

- a. As a result of economic slowdown and recession in realty sector the realizations from customers are slow.
- b. Due to long term involvement in such projects, no provision has been considered necessary.

Point no. vii of Annexure to Auditors Report:

The Audit Committee had elaborate discussions on the said point. The company will take all steps to see that the scope and coverage of internal audit is increased to commensurate with the nature and size of the business of the company.

Point No. 3(c) of Auditors' Report on Consolidated Balance sheet:

Interest on debentures is not provided for the detailed explanation given for C.15 of Schedule 18 of Consolidated Financial Statement.

DISCLOSURE OF PARTICULARS:

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are furnished below:

Conservation of Energy & Technology Absorption:

Since your company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable. However, adequate measures have been taken to conserve and reduce energy consumption.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings: Rs. 6.29 lacs

Foreign Exchange Outgo: Rs. 345.96 lacs

ACKNOWLEDGEMENTS

Your directors take this opportunity to thank the financial Institutions, Banks, Central and State Governments, regulatory authorities, stock exchanges and the stakeholders for their continued co-operation and support to the company.

Your Directors also wish to record their appreciation for the continued co-operation and support received from the customers, vendors, joint venture partners / associates.

For and on behalf of the Board

Place : Hyderabad
Date : 30.08.2011

D.S.Chandra Mohan Reddy
Chairman & Managing Director