



Prajay Princeton Towers-Artistic View



Prajay Virgin County Main Entrance

Top view of Prajay Gulmohar



PRAJAY ENGINEERS SYNDICATE LIMITED

BOARD OF DIRECTORS

D.S. Chandra Mohan Reddy

D. Vijay Sen 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 (up to 23.1.2012)

Chairman & Managing Director (w.e.f. 14.2.2012)

Whole Time Director (Technical)

Whole Time Director (Sales and Marketing)

Whole Time Director (Operations)

Non-Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director

Non-Executive Director

Head - Corporate Finance

Santosh Rathi

Chief Financial Officer

P. Bhaskara Rao

Company Secretary & Compliance Officer

D. Madhavi Latha

Registered Office

8-2-293/82/A, Plot No.1091, Road No.41,

Near Peddamma Temple, Jubilee Hills,

Hyderabad-500 033

Website

www.prajayengineers.com

Bankers

Indian Overseas Bank, Alwal Br., Secunderabad

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

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

State Bank of India

Industrial Finance Branch Somajiguda, Hyderabad

State Bank of Mysore, Secunderabad

Tamilnad Mercantile Bank Limited, Secunderabad

State Bank of Bikaner and Jaipur, Secunderabad

HDFC Bank Limited, Jubilee Hills, Hyderabad

Bank of India, Mid Corp Branch, Hyderabad

The A.P. Mahesh Co-operative Urban Bank Limited, Himayatnagar Branch, Hyderabad

Registrar and Share Transfer Agents

Karvy Computershare Private Limited

Plot No 17-24, Vittal Rao Nagar,

Madhapur, Hyderabad 500081

Andhra Pradesh, India

Tel.: 91 40 2342 0818-28

Fax: 040-23420859

Email: einward.ris@karvy.com

Listing

Bombay Stock Exchange Limited

National Stock Exchange Limited

Auditors

S.V. Rangan

Chartered Accountant

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PROFILE OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT TEAM

D. S. Chandra Mohan Reddy (Chairman & Managing Director upto 23.1.2012)

Mr. Chandra Mohan Reddy, Chairman & Managing Director of the company had expired on 24.01.2012. Mr. Chandra Mohan Reddy's death was a bolt from the blue for the company and all the stakeholders. The company pays its respectful homage to the departed soul of Sri Chandra Mohan Reddy, Chairman & Managing Director of the Company and convey's its heartfelt condolences and pays rich tributes to him for his vision, guidance and leadership all through the journey of the company to its present status, with reverence."

D. Vijay Sen Reddy (Chairman and Managing Director w.e.f. 14.02.2012)

Mr. Vijay Sen Reddy, a Chartered Accountant (Inter) 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 energize 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 also oversees the administrative functions. His expertise lies in appropriate pricing and financial structuring.

N. Ravinder Reddy (Director - Operations)

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 24 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 hotels 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.

PRAJAY ENGINEERS SYNDICATE LIMITED

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.

M. Raja Gopala Reddy

Mr. Gopala Reddy is a science graduate with more than 31 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 nationalized and private banks. He oversees the corporate finance functions of the Company and steers resource mobilization.

P. Bhaskara Rao, CFO, GM-Accounts & Finance

A graduate in Law and a Member of ICWAI, Mr. Bhaskara Rao has 27 years of vast experience in various industries. He is in-charge of wide range of finance and accounting responsibilities in addition to serving as a liaison with banks and financial institutions.

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 23 years. He is responsible for liaising with banks, institutions and overall co-ordination in finance and accounts department.

Mr. Jayadeva, Sr. GM - Projects

Mr. Jayadeva is a graduate in Civil Engineering with more than 23 years of experience in building various High Rise Residential Towers, IT Parks, Commercial Buildings & Five Star Hotels in reputed Corporates like Raheja, LODHA, NCCCL, Mindspace - IT Park. His rich experience of building High rise towers will strengthen the technical team of our Company.

Mr. Sameer De, GM - Projects

Mr. Sameer is a Civil Engineering Graduate with specialization in the subject of construction management from North Bengal University. He has experience of more than 18 years in administering EPC contracts of various mini and medium sized power projects.

Anil Haldar, Head-Sales (Construction and Hospitality Divisions)

Mr. Anil is a Graduate of Science and Diploma holder of Hotel Management with 20 years of rich experience in different segments of hospitality sector. Presently he is heading the hospitality division and sales segment of construction division.

Madhavi Latha, Company Secretary and Compliance Officer

A commerce graduate and a qualified member of Institute of Company Secretaries of India (ICSI) with more than seven 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 Eighteenth Annual General Meeting of the Members of Prajay Engineers Syndicate Limited will be held on Saturday, the 29th day of September, 2012 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 2012 and the Profit and Loss Account for the year ended on that date together with schedules annexed thereto and the reports of the Director's and Auditors thereon.
2. To appoint a Director in the place of Sri D. Chakradhar Reddy, Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Sri Rudresh Veerabhadrapa, Director, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution related to appointment of Statutory Auditor of the Company:

"RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Sri S.V. Rangan, Chartered Accountant, Secunderabad (Registration No. 022037) be and is hereby re-appointed 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 at such remuneration as may be fixed by the Board plus service tax as applicable from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration of the Statutory Auditor and to reimburse the actual out of pocket expenses as may be incurred in the performance of his duties."

SPECIAL BUSINESS:

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

"RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on 30th September, 2010 and in accordance with the provisions of Sections 198, 269, 309, 311 and 317 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and all guidelines on managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, Sri D. Vijay Sen Reddy be and is hereby appointed as the Managing Director of the Company for a period of 3 years effective from 14.02.2012 and shall be paid a gross remuneration of Rs. 2,00,000/- per month, as approved by the remuneration committee"

"RESOLVED FURTHER THAT the duties of the Managing Director so appointed shall be as set out in the Article 88 & 89 of the Articles of Association of the Company and to perform all other duties that the board may delegate to the Managing Director from time to time"

"RESOLVED FURTHER 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 modification or re-enactment thereof, as may, for the time being be in force."

"RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper and desirable."

By Order of the Board

Place : Hyderabad
Date : 31.08.2012

D. Vijay Sen Reddy
Chairman

PRAJAY ENGINEERS SYNDICATE LIMITED

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. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to Special Business to be transacted at the meeting (Item No. 5) is annexed herewith.
3. The details of Directors seeking reappointment, in terms of Clause 49 of the Listing Agreement, are annexed hereto and form part of this Notice.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2012 (Monday) to 29.09.2012 (Saturday) both days inclusive.
6. 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 Karvy Computershare Private limited

Plot No: 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081, Andhra Pradesh

Tel.: 91 40 2342 0818-28, Fax: 040-23420859 ; Email: einward.ris@karvy.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 Registrar and Share Transfer Agent.
8. 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:

Financial Year	Date of Declaration	Last date for claiming unpaid dividend	Due for transfer to the Fund on
2004-05	25th August, 2005	24.08.2012	30.09.2012
2005-06	29th September, 2006	28.08.2013	28.09.2013
2006-07	26th September, 2007	25.08.2014	25.09.2014
2007-08	29th September, 2008	28.08.2015	28.09.2015

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

9. Investor grievance Redressal - the company has designated an exclusive email id investorrelations@prajayengineers.com to enable the investors to register their grievances, if any.
10. Members/ Proxies are requested to bring duly filled in attendance slips sent therewith for attending the meeting.
11. The Ministry of Corporate Affairs (MCA) has introduced 'Green Initiative' whereby the documents are permitted to be served on the Members through electronic mode i.e., e-mail. This initiative is a step towards protection of environment and enabling faster communication with the Members. Accordingly, the Company proposed to serve all the documents to e-mail addresses of the Members. Members are requested to provide / update their e-mail addresses with their respective Depository Participants (DPs) or send an e-mail at investorrelations@prajayengineers.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to Karvy either by e-mail at einward.ris@karvy.com or by sending a communication at the address mentioned at Note 6 above.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item no. 5 :

The Board of Directors at its meeting held on 14.2.2012 paid homage to the departed soul of Sri D.S. Chandra Mohan Reddy, ex-Managing Director and appointed Mr. D. Vijay Sen Reddy as new Managing Director of the company for a period of 3 years with immediate effect at remuneration stated in the resolution. The remuneration payable was approved by the board and the remuneration committee at their meetings held on 14.2.2012 subject to the approval of the shareholders.

According to schedule XIII of the Companies Act, 1956, the appointment / re-appointment of Managing Director / Whole Time Director requires the approval of the shareholders. Hence, the appointment of Sri D. Vijay Sen Reddy as Managing Director as per the terms set out in the resolution, is being placed before the members and the board recommends the resolution for approval.

None of the directors of the company, except Sri D. Vijay Sen Reddy himself, is interested in the resolution.

By Order of the Board

Place : Hyderabad
Date : 31.08.2012

D. Vijay Sen Reddy
Chairman

PRAJAY ENGINEERS SYNDICATE LIMITED

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting their 18th Annual Report on the business and operations of the Company together with the audited results for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

(Rs. in Lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
	Standalone	Consolidated	Standalone	Consolidated
Gross Turnover	7919.08	6920.30	8830.87	8645.55
Profit before interest and Depreciation	741.90	413.25	1707.31	1511.75
Depreciation	385.54	391.18	432.03	437.64
Profit before Tax	80.60	(254.03)	466.06	264.88
Provision for taxation	658.26	658.28	451.75	451.75
Profit after tax	(577.66)	(911.69)	14.31	(193.99)
Transfer to General Reserve	--	--	--	--
Dividend	--	--	--	--
EPS				
Basic	(0.83)	(1.31)	0.02	(0.28)
Diluted	(0.83)	(1.31)	0.02	(0.28)

The year was characterized by sustained rise in inflation, as a result of a sharp increase in the prices of commodities. This was further exacerbated by the supply side constraints and increased borrowing costs. Rising interest rates, heavy taxation and soaring costs of raw materials and production cost has brought the real estate sector under pressure in the last financial year. Despite of all these odds, your company could achieve a gross turnover of Rs. 7919.08 lacs as against Rs. 8830.87 lacs during the previous year.

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

DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31st March, 2012.

DEPOSITS

During the year under review, the company has accepted fresh deposits to the tune of Rs. 6.65 lacs and repaid matured deposits to the tune of Rs. 19.60 lacs. The amount outstanding at the end of the year at 31.3.2012 is Rs. 43.58 lacs (including fresh & renewed deposits). As on 31st March, 2012 an amount of Rs. 0.50 lacs were matured but not claimed by the depositors. Interest is served regularly as per the terms of the deposit scheme.

DIRECTORS

Mr. D.S. Chandra Mohan Reddy, Chairman & Managing Director had expired on 24.1.2012 and Mr. D. Vijay Sen Reddy is appointed as new Chairman & Managing Director of the company for 3 years at the board meeting held on 14.2.2012.

Sri D. Chakradhar Reddy, and Sri Rudresh Veerabhadrappe, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their reappointment at the ensuing Annual General Meeting.

Brief resume of the directors proposed to be appointed and re-appointed, nature of their experience in specific functional areas are provided in the Corporate Governance report.

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 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, 2012 and of the loss 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

As on 31.3.2012 your company has 4 subsidiaries viz. Prajay Holdings Private Limited, Prajay Developers Private Limited (step-down subsidiary), Prajay Retail Properties Private Limited and Prajay Realty Private Limited.

Your company has decided to close the non-operative subsidiary company namely Prajay Realty Private Limited. Accordingly, company has submitted the necessary application as per Sec. 560 of the Companies Act, 1956 under Fast Track Exit Mode for striking off the name of the company from the Register of Companies.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet, and Profit and Loss account of our subsidiaries to our annual report. The Ministry of Corporate Affairs, Government of India 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. Accordingly the company has decided not to attach the details of its subsidiaries. However, a statement containing 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.

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 registered office of the holding company and of the subsidiary companies concerned.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the company are prepared in accordance with the accounting standard AS-21 on consolidate financial statements read with Accounting Standard AS-23 on accounting for investments in associates, listing agreement as prescribed by the Securities and Exchange Board of India.

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 obtained 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

A separate section on corporate governance with a detailed compliance report thereon is annexed and forms a part of the annual report in terms of Clause 49 (VI) of the Listing agreement with Stock Exchange. The Auditors' Certificate in respect of compliance with the provisions concerning corporate governance, as required by clause 49 of the listing agreement is also annexed.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

A report on management discussion and analysis is given in a separate section in this Annual Report forming part of the Directors' 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:

No employee was in receipt of remuneration in excess of the limits prescribed under Sec. 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and hence the prescribed information is not required to be given.

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), (b) and (c):

- i) Regarding Note 39(a) of the Financial Statements - As a result of economic slowdown and recession in realty sector the realizations from customers are slow.
- ii) Regarding Note 39(b) of the Financial Statements - The Board has considered these alterations at the request of the respective customers and the formal documentation is being completed soon.
- iii) Regarding Note 39(c) of the Financial Statements - 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 has initiated 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(a), 3(b) and 3(c) of Auditors' Report on Consolidated Balance sheet:

- i) Regarding Note 36(a) of the Consolidated Financial Statements - As a result of economic slowdown and recession in realty sector the realizations from customers are slow.
- ii) Regarding Note 36(b) of the Consolidated Financial Statements - The Board has considered these alterations at the request of the respective customers and the formal documentation is being completed soon.
- iii) Regarding Note 36(c) of the Consolidated Financial Statements - Due to long term involvement in such projects, no provision has been considered necessary.

DISCLOSURE OF PARTICULARS:

Information as required under 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 is furnished below:

Conservation of Energy & Technology Absorption:

Even though the company's nature of business is construction and property development, which are not power intensive, the company is putting every effort to conserve and reduce energy consumption.

Foreign Exchange Earnings and Outgo:

Foreign Exchange Earnings: Rs. Nil

Foreign Exchange Outgo: Rs. 9,34,898/- lacs

ACKNOWLEDGEMENTS

Your directors take this opportunity to thank the financial Institutions, Banks, Government and semi-Government agencies, suppliers and regulatory authorities, stock exchanges and all stakeholders for their continued co-operation and support to the company.

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

For and on behalf of the Board

Place : Hyderabad
Date : 31.08.2012

D. Vijay Sen Reddy
Chairman