

13th October, 2018

The Dy. General Manager Dept. of Corporate Services BSE Limited 1 st Floor, P.J. Towers, Dalal Street, Fort, Mumbai - 400001	The Asst. Vice President Listing Department National Stock Exchange of India Limited Exchange Plaza, BandraKurla Complex, Bandra (East) Mumbai – 400051
Stock Code: 531746 ISIN No: INE505C01016	Stock Code: PRAENG ISIN No: INE505C01016

Dear Sir / Madam,

Sub: Annual Report for the year 2017-18

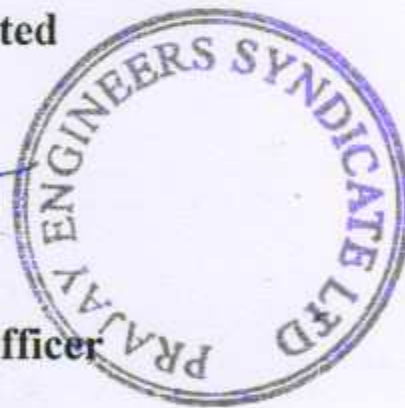
Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2017-18 duly approved and adopted by the shareholders of the Company at 24th Annual General Meeting held on 29th September, 2018 at 3:00 P.M., at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana.

This is for your information and records

For Prajay Engineers Syndicate Limited

Y.K. Priyadarshini

Y.K Priyadarshini
Company Secretary & Compliance Officer



Encl.: As above

Prajay Engineers Syndicate Limited

Regd. Office : 8-2-293/82/A, Plot No. # 1091
Road No. # 41, Near Peddamma Temple
Jubilee Hills, Hyderabad - 500 033
Phone: 040-66 222 999, Fax: 040-66 222 966

E-mail: : info@prajayengineers.com

www.prajayengineers.com

CIN: L45200TG1994PLC017384



Annual Report 2017 - 2018



Celebrity Resorts
Cottage
Shamirpet

Celebrity Resorts
Shamirpet



Prajay
Waterfront City
Shamirpet



Prajay
Megapolis
Hitech City



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dantapalli Rohit Reddy	Chairman, Managing Director and CEO
Mr. Dantapalli Vijaysen Reddy	Chairman & Managing Director (upto 14.11.2017) Chief Operating Officer (w.e.f 14.11.2017)
Mr. Ravi Kumar Kutikalapudi	Director
Mr. Sumit Sen	Director
Mr. Sokke Kaliveerappa Rudresh	Independent Director
Mrs. Padmaja Kota	Independent Director
Mr. Vijay Kishore Mishra	Independent Director (upto 10.08.2018)
Mr. Raghvender Reddy Marpadaga	Independent Director (w.e.f. 14.11.2017)
Mr. Neelakantam Nageswara Rao	Independent Director (upto 06.08.2018)
Mr. Bhaskara Rao Patnana	Chief Financial Officer
Mrs. Deevi Madhavi Latha	Company Secretary & Compliance officer (upto 03.08.2018)
Mrs. Y.K. Priyadarshini	Company Secretary & Compliance Officer (w.e.f.29.08.2018)

Corporate Identity Number

L45200TG1994PLC017384

Registered Office:

8-2-293/82/A, Plot No.1091,
Road No.41, Near Peddamma Temple,
Jubilee Hills, Hyderabad-500033, Telangana.

Website:

www.prajayengineers.com
Email:investorrelations@prajayengineers.com

Internal Auditor

Mr. M. Shanker, B.Com, MBA-Finance,
Hyderabad.

Listing:

Bombay Stock Exchange Limited – BSE
National Stock Exchange of India Limited – NSE

Secretarial Auditors:

Mr. M. Ramana Reddy,
on behalf of P S Rao & Associates
Practicing Company Secretaries, Hyderabad

Bankers:

Indian Overseas Bank, Secunderabad
State Bank of India, Hyderabad
The A.P. Mahesh Co-operative Urban Bank Ltd., Hyderabad
HDFC Bank, Hyderabad

Registrar and Share Transfer Agents:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032.
Tel. Nos.: 040-67161606
Email:einward.ris@karvy.com

Statutory Auditors:

M/s. Karumanchi & Associates
Chartered Accountants
Flat No.301, Swarga Nivas Enclave, 7-1-619/A,
Behind HUDA Complex,
Ameerpet, Hyderabad-500038

Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Stakeholders Relationship Committee
Mr. Raghvender Reddy Marpadaga – Chairman	Mr. Raghvender Reddy Marpadaga – Chairman	Mr. Dantapalli Rohit Reddy – Chairman	Mr. Raghvender Reddy Marpadaga – Chairman
Mr. Sokke Kaliveerappa Rudresh – Member	Mrs. Padmaja Kota – Member	Mr. Ravi Kumar Kutikalapudi – Member	Mr. Sumit Sen – Member
Mrs. Padmaja Kota – Member	Mr. Dantapalli Rohit Reddy – Member	Mr. Sumit Sen – Member	Mr. Dantapalli Rohit Reddy – Member
Mr. Sumit Sen – Member		Mr. Raghvender Reddy Marpadaga – Member	Mrs. Padmaja Kota – Member

PROFILE OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS:

Mr. Dantapalli Rohit Reddy (Chairman, Managing Director & CEO)

Mr. Dantapalli Rohit Reddy is a Graduate of Civil Engineering from Pennsylvania State University. He oversees the progress of the construction work at all project sites in coordination with the project team. Being a Project Co-ordinator, he has experience in co-ordinating, leading and controlling the project activities, and implementing production, productivity, quality, and customer-service standards, and also having experience in resolving operational problems, and identifying work process improvements.

Mr. Dantapalli Vijaysen Reddy (Chief Operating Officer)

Mr. Dantapalli Vijaysen Reddy, a Semi-qualified Chartered Accountant, has got more than Three 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 with his vast/multi faceted experience and his broad vision helps energize the Prajay team.

Mr. Ravi Kumar Kutikalapudi (Director - Technical)

Mr. Ravi Kumar is a Master of Technology and a Civil Engineer and 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.

Mr. Sumit Sen (Director - Marketing & Sales)

A Post Graduate in Commerce and a P.G. 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. His expertise lies in appropriate pricing and financial structuring.

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Sokke Kaliveerappa Rudresh (Independent Director)

Mr. Rudresh is a Bachelor of Architecture and has wide experience in the relevant field for more than two and half decades and executed many prestigious projects in and around Bangalore. Mr. Rudresh's presence on the Board enables the company to strengthen its design capabilities and help the company to explore new opportunities outside the state.

Mrs. Padmaja Kota (Independent Director)

Mrs. Padmaja is a Commerce Graduate and did her P.G. Diploma in Taxation and has more than 25 years of experience in Accounts and Taxation and her presence on the board helps the company to get benefitted from her experience and strengthen its compliance functions.

Mr. Raghavender Reddy Marpadaga (Independent Director)

Mr. Raghavender Reddy Marpadaga is Graduate of Science and Holds Masters Degree and Posses an expertise in Project Management.

SENIOR MANAGEMENT AND OTHER:**Mr. Bhaskara Rao Patnana, GM – (Fin. & Accounts) & CFO**

A graduate in Law and a Member of ICWAI, Mr. Bhaskara Rao has got more than 34 years of experience in various industries. He is overall in-charge of finance and accounting responsibilities and further acts as Chief Financial Officer of the company.

Ms. Y.K Priyadarshini, Company Secretary & Compliance Officer

Ms. Y.K Priyadarshini is a post graduate a member of ICSI, and has more than 5 years experience as company secretary and compliance officer of listed company(ies).

Mr. Samir De, GM – Projects

Mr. Samir is a Civil Engineering Graduate with specialization in the subject of Construction Management from North Bengal University. He has more than 22 years of experience in administering EPC contracts of various mini and medium sized power projects.

Mr. K. Purushotham Rao, Asst. G.M. – MEP

Mr. Purushotham Rao is a Post Graduate Diploma holder in Energy Management with more than 15 years of experience in construction industry.

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NOTICE

NOTICE is hereby given that the 24th (Twenty Fourth) Annual General Meeting of the Members of Prajay Engineers Syndicate Limited ("the Company") will be held on Saturday, the 29th day of September, 2018, at 3.00 P.M., at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with the report of the Board of Directors and Statutory Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018, together with the report of Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Ravi Kumar Kutikalapudi (holding DIN 02789546), who retires by rotation, and being eligible offers himself for re-appointment.
3. To ratify the appointment Statutory Auditors and to fix their remuneration and in this regard, to consider, and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in terms of Section 139 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Karumanchi & Associates (ICAI Firm Registration No: 001753S), Chartered Accountants, as Statutory Auditors of the Company, be and hereby ratified from the conclusion of this Annual General Meeting till the conclusion of the 27th Annual General Meeting, on such remuneration as may be agreed upon by or between the Board of Directors and the Auditors, in addition to the reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do or cause to be done all such acts, deeds and things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid resolution."

SPECIAL BUSINESS:

4. **Regularisation of Appointment of Mr. Dantapalli Rohit Reddy, as a Director of the Company**

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

"RESOLVED THAT pursuant to the provision of Section 152 and other applicable provisions of the Companies 2013, ("the Act") and Rules made there under(as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee of the Company, the consent of the members of the company be and is hereby accorded to appoint Mr. Dantapalli Rohit Reddy (holding DIN:07560450), (whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing his candidature for the office of Director of the Company), as a Director of the Company".

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, things and matters as may be required and necessary for giving effect to the aforesaid resolutions including filing of necessary forms if any with the Registrar of Companies."

5. **To approve the appointment of Mr. Dantapalli Rohit Reddy as Managing Director of the Company**

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

"RESOLVED THAT subject to the provisions of Sections 196 and 203 read with Schedule V to the Act, and all other applicable sections and provisions of the Companies Act, 2013, and Rules made there under (as may be

amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to Article 88 of the Articles of Association of the Company the members of the such modification and conditions, if any, consent of the members of the company be and is hereby accorded for the appointment of Mr. Dantapalli Rohit Reddy (holding DIN: 07560450), as Managing Director of the Company for a period of 3 years w.e.f. from 15th November, 2017.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, things and matters as may be required and necessary for giving effect to the aforesaid resolutions including filing of necessary forms if any with the Registrar of Companies.”

6. Appointment of Mr. Raghavender Reddy Marpadaga, as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modifications, the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149 and 150, of the Companies Act, 2013 (“the Act”) read with Schedule IV, and other applicable provisions of the Act if any, and rules made thereunder, and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and based on the recommendations of the Nomination and Remuneration Committee of the Company, the members of the Company be and are hereby accord their consent to appoint Mr. Raghavender Reddy Marpadaga (holding DIN: 06936544), (whose term of office as an Additional Director (under Non-Executive Independent category) of the Company expires at this Annual General Meeting and in respect of whom Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director), as an Independent Director of the Company not liable to retire by rotation, and to hold office for a term of 5 consecutive years from the date of this annual general meeting.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, things and matters as may be required and necessary for giving effect to the aforesaid resolutions including filing of necessary forms if any with the Registrar of Companies.”

7. Issue of Warrants (“Warrants”) Convertible into Equity shares on preferential basis

To consider and if thought fit, to pass with or without modifications, the following resolution as **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of section 62 (1)(c), Section 42 and other applicable provisions if any of the Companies Act, 2013 and rules thereunder (including any statutory modification or re-enactment thereof for the time being in force), and subject to applicable provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“ICDR Regulations”), the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, (the “Takeover Regulations”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), amendments thereto as in force, and subject to other applicable rules, regulations and guidelines of the Securities and Exchange Board of India (“SEBI”) (“SEBI Regulations”), and the stock exchanges where the shares of the Company are listed (“Stock Exchanges”), and enabling provisions of the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed and subject to all other applicable laws, rules, regulations, circulars and guidelines and subject to such necessary approvals, consents, permissions and/or sanctions of the Government of India (including any statutory modification or reenactment thereof, for the time being in force) and other applicable laws, and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any Committee, constituted/to be constituted and authorised by the Board to exercise its powers including the powers conferred by this Resolution) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the Company be and is hereby accorded to Board and the Board be and is hereby authorised to offer, issue, allot and deliver upto

69,93,578 (Sixty Nine Lakhs Ninety Three Thousand Five Hundred and Seventy Eight) convertible warrants of face value of Rs. 10/- each in one or more tranches to the following identified persons of promoter group ("Warrant Holders"), at a price of Rs. 11/- per Warrant (Rupees Eleven Only) including premium, or at such higher price as may be arrived at in accordance with the guidelines for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009, (SEBI ICDR Regulations") exercisable into equal number of Equity Shares of face value of Rs. 10/- each, on Preferential basis.

List of Identified Persons of Promoter Group.

Sl. No	Name of the proposed Allottees	Nature of persons who are ultimate beneficial owner	No of convertible warrants to be allotted	Category: Promoter/ Non-promoter	Allottee is : QIB/MF/FI/ Trust/Banks
1	Mr. Dantapalli Rohit Reddy	Individual	3496789	Promoter - PAC	Not Applicable
2	Ms. Dantapalli Sarojini Reddy	Individual	3496789	Promoter - PAC	Not Applicable
	TOTAL		6993578		

"RESOLVED FURTHER THAT said Warrants shall be converted within a period not exceeding 18 (eighteen) months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Regulations and other relevant guidelines as may be prevailing at the time of allotment of shares, and that the Warrants so issued or allotted give rise (on allotment or conversion/ exercise of right) to not more than 69,93,578 (Sixty Nine Lakhs Ninety Three Thousand Five Hundred and Seventy Eight) Equity Shares of Rs. 10/- each fully paid-up."

"RESOLVED FURTHER THAT the Convertible Warrants on Preferential basis shall be issued by the Company on the following terms and conditions:

- An amount equivalent to 25 percent of the Warrant Issue Price shall be payable at the time of subscription and allotment of each warrant and the balance 75 percent of the Warrant Issue Price shall be payable by the warrant holder(s) on or before the exercise of the entitlement attached to Warrant(s) to subscribe for Equity Share(s). The amount paid against Warrants shall be adjusted/set-off against the issue price for the resultant Equity Shares.
- In accordance with the provisions of ICDR Regulations, the "Relevant Date" for the purpose of calculating the price of the Equity Shares to be issued upon exercise of Warrants in terms hereof shall be 30th August, 2018, being the date 30 days prior to this General Meeting.
- The Warrant holder(s) shall, subject to ICDR Regulations, the Takeover Regulations and other applicable rules, regulations and laws, be entitled to exercise the Warrants in one or more tranches within a period of 18 (eighteen) months from the date of the allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be exercised. The Company shall accordingly, issue and allot the corresponding number of Equity Shares of Rs.10/- each to the Warrant holders.
- The Warrants shall be exercised in a manner that is in compliance with the minimum public shareholding norms prescribed for the Company under the SEBI LODR Regulations and the Securities Contracts (Regulation) Rules, 1957.
- In the event, the Warrant holders do not exercise the Warrants within a period of 18 (Eighteen) months from the date of allotment, the Warrants shall lapse and the amount paid by the Warrant holder(s) on such Warrants shall stand forfeited by the Company.
- That the Warrants do not give any rights/entitlements to the Warrant holders as a shareholder of the Company.
- The Company shall ensure that the listing and trading approvals for Equity Shares to be issued and allotted to the Warrant holder(s) upon exercise of Warrants are received from the relevant stock exchanges in accordance with the ICDR Regulations and SEBI LODR Regulations.
- The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company.

- (i) The Warrants and the Equity Shares issued pursuant to the exercise of the Warrants shall be locked-in as prescribed under Chapter VII of the ICDR Regulations from time to time.
- (j) In the event that the Company completes any form of capital restructuring prior to the exercising of the Warrants, then, the number of Equity Shares that are issued against the exercise of each Warrant and the price payable for such Equity Shares, shall be appropriately adjusted.

“RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to determine the terms and conditions of the issue including face value, quantity, issue price (Including Price range), manner of calls etc. in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the Company and to approach SEBI and/or any other competent authority to do all such acts, deeds, matters and things as may be necessary, appropriate and proper or expedient for giving effect to the above resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the said Special Resolution under section. 62 and other applicable provisions of the Companies Act, 2013 the Board of Directors of the Company are hereby Authorised to take such steps and to do all such acts, deeds, matters and things and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as they deem fit and appropriate and give such directions/instructions as may be necessary to settle any question or difficulty for the offer/issue and allotment of Equity Shares in such manner as may be deemed fit and appropriate by the Board of Directors and or any legal/regulatory body, to be most beneficial to the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to delegate any or all the powers conferred upon it by this resolution, to any committee formed thereof for the powers conferred upon it by this resolution, to any individual so authorised by the Board.”

“RESOLVED FURTHER THAT Board of Directors be and are hereby to enter execute all such deeds, arrangements, agreements documents, instruments and writings for giving effect to the aforesaid resolutions including filing of necessary documents, intimations including filing of requisite, e-forms with regulatory authorities.

8. Approval for payment of fee to Non-Executive Director(s) of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT subject to the applicable provisions of the Companies Act, 2013, and Rules made there under, read with relevant schedule(s) if any (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the company be and are hereby accord their consent for the payment fee (including professional fee for expert/professional services in the relevant area) to Non-Executive Director(s) (other than the Whole-time Director(s)/Managing Director), as may be determined by the Board of Directors of the Company from time to time, not exceeding an amount of Rs.2,00,000/- (Rupees Two Lakhs Only) per such director per month, in addition to the fees for attending the meetings of the Board and/ or Committee(s) thereof.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, things and matters as may be required and necessary for giving effect to the aforesaid resolutions including filing of necessary forms if any with the Registrar of Companies.”

By order of the board of Directors
of **Prajay Engineers Syndicate Limited**

Sd/-

Dantapalli Rohit Reddy
Chairman, Managing Director & CEO
DIN:07560450

Place : Hyderabad
Date : 29.08.2018

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company.
2. The instrument of proxy in order to be effective should be deposited at the registered office of the Company in a duly completed and signed form, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported duly certified copy of the board resolution/authority, as applicable, issued by the member organization.

Pursuant to the provisions of the Companies Act, 2013 and Rules made there under viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Members/Proxies should bring attendance slips duly filled in and signed for attending.

3. Statement as required under Section 102 of the Companies Act, 2013, in respect of Special Business is enclosed to this notice as **Annexure-I** to the Notice.
4. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be appointed/re-appointed is given in the **Annexure-II** to the Notice.
5. The register of members and share transfer books of the company will remain closed from Friday, the 21st September, 2018 to Saturday, the 29th September, 2018 (both days inclusive) for the purpose of the 24th Annual General Meeting of the company.
6. All communications in respect of the demat, share transfers and change in their registered address may be communicated to our Registrar and Share Transfer Agent (RTA) at M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana. Members whose shareholdings are in dematerialized form are requested to notify changes if any, with respect to the address, email ID's, etc. to the depository participant to update the same. Members, who are holding Company's shares in physical form, please contact our RTA to update your address, email-IDs etc.
7. In view of the Securities Exchange Board of India (SEBI) Vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, we take the opportunity to request all the shareholders, including members holding share in physical form to update their Permanent Account Number (PAN) with our RTA before 19th October, 2018, and in view of the SEBI Circular, SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, we would also like to inform all the shareholders that it is mandatory to convert physical shares into demat mode on or before 5th December, 2018. Members can contact the Company or Karvy Computershare Private Limited for assistance in this regard.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Electronic copy of annual report which includes the notice of the Annual General Meeting along with Attendance Slip and Proxy Form, is being sent to all the Members whose email addresses are registered with the Company/depository participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copy of the Notice is being sent in the permitted mode. Members may note that this Notice will also be available on the Company's website under the weblink: www.prajayengineers.com/investors
9. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/KCPL. Members are requested to provide their e-mail address along with DP ID/Client ID through email to investorrelations@prajayengineers.com (or) einward.ris@karvy.com and ensure that the same is also updated with their respective DP for their demat account(s). The registered e-mail address will be used for sending future communications.

10. Members are requested to bring their copy of the Annual Report with them at the AGM and also bring the attendance slip duly filled and signed and submit at the entrance of the venue. As a measure of economy and to support to green initiative of Ministry of Corporate Affairs, copies of the annual report will not be distributed at the Annual General Meeting.
11. Members, who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2018 send their request(s) at least 10 days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company.
12. The route map showing directions to reach the venue of the 24th Annual General Meeting is annexed to the notice.
13. All the documents referred to in the notice and explanatory statements are open for inspection at the Registered Office of the Company on all working days from 10.00 A.M. to 1.00 P.M. up to the date of the meeting.
14. Members are entitled to receive the said Annual Report & Notice in physical form upon sending a request in writing to the Company's registered office and/or sending an email to investorrelations@prajayengineers.com Members whose email address is not registered, a physical copy of the said Annual Report and Notice is being dispatched in the permitted mode.
15. **Voting through electronic means:**
 - a) In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide its members the facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided through Central Depository Services Limited (CDSL), e-voting platform and the items of business as detailed in this notice may be transacted through remote e-voting.
 - b) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date Thursday 20th September, 2018 only shall be entitled to exercise the voting right (either through remote-voting or at poll AGM).
 - c) A person who is not a member as on the cut-off date should treat this notice for information purpose only.
 - d) It may be noted that availing the remote E-voting facility is optional. The ballot shall also be made available at the AGM. The members attending AGM but have not cast their vote by Remote E-voting may exercise their right at the meeting. The members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - e) The e-voting period will commence from 9.00 A.M. on Wednesday, 26th September, 2018 and will end at 5.00 P.M. on Friday, 28th September, 2018.
 - f) The persons who have become Members of the Company after the dispatch of the Notice and Annual Report and their names appear in the Register of Members/List of Beneficial owners as on the Cut-off date may contact the Registrars & Share Transfer Agents to obtain the Notice of AGM and the login id and password for casting vote electronically or may cast their vote through physical ballot at the AGM. The Cut-off date for the purpose of remote e-voting is Thursday, the 20th September, 2018.
 - g) Mr. M. Ramana Reddy, P S Rao & Associates, Practicing Company Secretaries, Hyderabad, has been appointed as the Scrutinizer to scrutinize the e-voting process and poll through ballot at the AGM in a fair and transparent manner.
 - h) The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs along with physical copy of the Annual Report. Those members who have registered their e-mail IDs with the Company/their respective Depository Participants, are being forwarded the login ID and password for e-voting along with process, manner and instructions by email.
 - i) Once the vote on a resolution is cast by a shareholder, the Shareholders shall not be allowed to change it subsequently. Further, the Shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.

- j) In case of members who are entitled to vote but have not exercised their right to vote by electronic means, the chairman may offer an opportunity to such members to vote at the meeting for all businesses specified in the accompanying notice. If a member casts votes by both the modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- k) The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses who is not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the meeting.

16. The instructions for shareholders voting electronically are as under:

- i) The shareholders should log on to the e-voting website www.evotingindia.com.
- ii) Click on Shareholders.
- iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant (i.e., **Prajay Engineers Syndicate Limited**) on which you choose to vote.

- xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By order of the board of Directors
of **Prajay Engineers Syndicate Limited**

Sd/-

Dantapalli Rohit Reddy,
Chairman, Managing Director & CEO
DIN:07560450

Place : Hyderabad
Date : 29.08.2018

Annexure - I

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item Nos. 4 and 5

Considering the vast experience of Mr. Dantapalli Rohit Reddy, as Project Co-ordinator of the Company and based on the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company (The Board) appointed him as an Additional Director with effect from 26th October, 2017. Subject to the approval of members in the Annual General Meeting (AGM) the Board also appointed as Managing Director of the Company for a period of 3 years with effect from 15th November, 2017. As an Additional Director, he holds office till the date of the ensuing AGM. Hence, in terms of the applicable provisions of Companies Act, 2013, approval of the members of the Company is required for regularization of Mr. Dantapalli Rohit Reddy as Director of the Company.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") signifying his intention to propose the appointment of Mr. Dantapalli Rohit Reddy as a Director of the Company.

Pursuant to the Provisions of Section 196 of the Companies Act, 2013, Mr. Dantapalli Rohit Reddy's appointment as Managing Director has to be approved by requires the approval of members of the company in the general meeting.

The terms of appointment as approved by the Nomination and Remuneration Committee and the Board (subject to the approval of theMembers) are as below:

1. Term of Office

Three years commencing from 15th November, 2017.

2. Remuneration: Nil

3. Termination

This appointment may be terminated by any party herein, by giving to the other party, a six months notice in writing.

The Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board of Directors/ committee of Directors.

This may be treated as written memorandum pursuant to section 190 of the Companies Act, 2013, setting out the terms of appointment.

In the opinion of the Board of Directors and Nomination and Remuneration Committee, Mr. Dantapalli Rohit Reddy knowledge and experience will be of immense value to the Company. Hence, the Board, therefore, recommends the Resolutions as set out at Item Nos. 4 & 5 for the approval of members of the company as **Ordinary Resolutions**.

Except Mr. Dantapalli Rohit Reddy, being an appointee and his relatives, none of the Directors and their relatives are concerned or interested, financially or otherwise, in these resolutions.

Item No. 6

The Board of Directors appointed Mr. Raghavender Reddy Marpadaga, as an Additional Director under Independent Category with effect from 14th November, 2017. He holds office till the date of ensuing Annual General Meeting and is eligible for being appointed as an Independent Director.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") signifying his intention to propose the appointment of Mr.Raghavender Reddy Marpadaga, as an Independent Director of the Company. The Company has also received a declaration from Mr.Raghavender Reddy Marpadaga, confirming that he meets the criteria of Independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further Nomination and Remuneration Committee recommended the appointment of Mr.Raghavender Reddy Marpadaga, as an Independent Director.

Mr.Raghavender Reddy Marpadaga is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Raghavender Reddy Marpadaga, fulfils the conditions for his appointment as an independent Director, as specified in the Act and the Listing Regulations and he is independent of the management

Hence, the Board, therefore, recommends resolution as set out under **Item No. 6** for the approval of members as an **Ordinary Resolution**.

A copy of the draft letter of appointment for Independent Director, setting out the terms and conditions for appointment of Independent Director is available for inspection by the Members at the registered office of the company during the business hours on any working day and is also available on the website of the company – prajayengineers.com, under weblink: www.prajayengineers.com/investors

Mr. Raghavender Reddy Marpadaga and his relatives be deemed to be concerned or interested in **Item No.6** as it relates to his appointment as a Director of the Company. None of the other Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested financially or otherwise in the Resolution mentioned at **Item No. 6** of the accompanying Notice.

Item No.7

In order to meet long-term funding requirements of the Company, the Board at its meeting held on 29th August, 2018 has accorded its approval for raising funds through preferential issue by issuing up to 69,93,578 (Sixty Nine Lakh Ninety Three Thousand Five Hundred and Seventy Eight) warrants ("Warrants") at a price being not less than the price determined in accordance with the guidelines for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009, exercisable into equal number of Equity Shares of face value of Rs. 10/- each of the Company on a preferential basis to entities/persons mentioned in Point (vi).

Pursuant to provisions of Section 62(1)(c) read with Section 42 of the Companies Act, 2013 ("Act"), any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. Salient features of preferential issue of warrants are given in the Resolution. Further, in terms of Regulation 73 of SEBI (ICDR) Regulations, 2009 ("ICDR Regulations"), the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting:

i. Purposes and the Objects of the issue through preferential offer:

The object of the issue is to meet the funds so raised shall fulfil the additional fund requirements for retiring the existing debts of the company, working capital requirements and for other approved corporate purposes of the Company.

ii. Total Number of Securities to be issued:

Subject to approval of members in the AGM by way of special resolution and subject to applicable law, it is proposed to issue 69,93,578 (Sixty Nine Lakh Ninety Three Thousand Five Hundred and Seventy Eight) Warrants which are convertible/exercisable into equal number of fully paid equity shares having face value of Rs.10/- (Rupees Ten) each of the Company on preferential basis to the identified persons of the promoter group as stated under Point No. (xiii) below.

iii. Particulars of the offer: The proposed issue is on preferential basis

iv. Date of passing of Board resolution: 29th August, 2018

v. Kinds of Securities: Warrants convertible/exercisable into equal number of fully paid equity shares having face value of Rs.10/- (Rupees Ten) each of the Company on preferential basis.

vi. Amount which the company intends to raise by way of such securities:

By way of issue of 6993578 (Sixty Nine Lakh Ninety Three Thousand Five Hundred and Seventy Eight) Warrants, at a price of Rs. 11/- per share (Rupees Eleven Only) including premium, or such higher price as may be arrived at in accordance with the guidelines for Preferential Issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2009, (SEBI ICDR Regulations), Company intends to raise a minimum amount aggregating to Rs. 7,69,29,358/- (Rupees Seven Crore Sixty Nine Lakhs Twenty Nine Thousand Three Hundred and Fifty Eight only).

vii Proposal of the promoters, directors or key management persons to subscribe to the Preferential Issue:

Mr. Dantapalli Rohit Reddy, Director & Promoter, and Ms Dantapalli Sarojini Reddy Promoter of the company has intended to subscribe to the Warrants (69,93,578 Warrants) proposed to be issued. Apart from Mr. Dantapalli Rohit Reddy, Director & Promoter, and Ms Dantapalli Sarojini Reddy Promoter none of the promoters, directors or key managerial personnel intends to subscribe in the preferential issue.

viii The intention of the Promoters/Directors/ Key Management Personnel to subscribe to the offer:

Promoters/Directors/Key Management Personnel do not intend to subscribe the offer except Mr. Dantapalli Rohit Reddy, Director & Promoter, and Ms Dantapalli Sarojini Reddy Promoter of the Company, who intends to subscribe to the preferential offer to the extent mentioned in Point (vi) & (xiii).

ix. Relevant Date:

As per the ICDR Regulations, the "Relevant Date" for the purpose of calculating the price of the Equity Shares to be issued upon exercise of Warrants in terms hereof shall be 30th August, 2018, being the date 30 days prior to this Annual General Meeting.

x. Basis on which the price has been arrived at along with report of the registered valuer and name and address of valuer who performs valuation:

Since, the Company is a listed Company, price is/will be based and in accordance with the provisions of the Chapter VII of the ICDR Regulations. Hence the, valuation report from Registered Valuer is **Not Applicable**. Accordingly name and address of valuer : **Not Applicable**

xi. Pricing of Preferential Issue:

The pricing of the Warrants to be allotted on preferential basis will be the price, which is not lower than the price determined in accordance with the Chapter VII of the ICDR Regulations.

The ICDR Regulations provides that the issue of shares on a preferential basis can be made at a price not less than the higher of the following:

- The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date; or
- The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

The requirement of the basis on which the price has been arrived at along with report of the registered valuer as such is not applicable in the present case since the Company is a listed Company and the pricing is in terms of the provisions of the Chapter VII of the ICDR Regulations.

xii. The class or classes of the persons to whom the allotment is proposed to be made.

The allotment is proposed to be made to the identified persons of promoter group (i.e. immediate relatives of promoter(s) shareholders as listed under **Point No.xiii** below.

xiii. The Identity of the natural persons who are the ultimate beneficial owners of the shares/Warrants proposed to be allotted and/ or who ultimately control the proposed allottees, the percentage of pre and post preferential issue capital that may be held by them:

S I . No.	Identity of proposed Allottes	Category (Promoter and Non-promoter)	Natural Persons who are the ultimate beneficial owners	Pre-Issue share holding	No of Warrants to be allotted	Post-issue share holding on exercise of warrants
1.	Mr. Dantapalli Rohit Reddy	Promoter - Individual	N.A	Nil	3496789	3496789
2.	Ms. Dantapalli Sarojini Reddy	Promoter - Individual	N.A	Nil	3496789	3496789
			Total		6993578	6993578

** Assuming full conversion of warrants.*

xiv. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

Not applicable as company has not made any allotment on preferential basis during the year, other than the proposed issue.

xv. Shareholding Pattern before and after the preferential issue.

S No	Category	Pre-Warrants Issue		Post-Warrants Issue	
		No of Shares	% Holding	No of Shares	% Holding
A	Promoters Holding				
1	Indian				
	Individuals (Promoter or Promoter Group)	22312782	31.90	*29306360	38.10
	Bodies-Corporate	675236	0.97	675236	0.88
2	Foreign Promoters	0	0.00	0	0.00
	Sub Total A	22988018	32.87	29981596	38.97
					0.00
B	Non-Promoter Holding				0.00
1	Institutional Investors	1000	0.00	1000	0.00
2	Non-Institutional Shareholding		0.00		0.00
	Private Corporate Bodies	9778119	13.98	9778119	12.71
	Directors and Relatives	1519193	2.17	1519193	1.97
	Indian Public	27885651	39.87	27885651	36.25
	Other (Including NRI's)		0.00		0.00
	Non Resident Indians	6391630	9.14	6391630	8.31
	HUF	1117055	1.60	1117055	1.45
	NRI (Non-Repatriable)	211592	0.30	211592	0.28
	Clearing Members	28833	0.04	28833	0.04
	NBFC	13200	0.02	13200	0.02
	Trusts	1500	0.00	1500	0.00
	Sub Total B	46947773	67.13	46947773	61.03
	Grand Total	69935791	100.00	76929369	100.00

* Assuming full conversion of warrants.

xvi. Timeline within which the allotment shall be completed:-

As required under the ICDR Regulations, the preferential issue of Warrants shall be completed within a period of 15 days from the date of passing of the special resolution by the Shareholders. Provided that where the allotment is pending on account of any approval from any Regulatory Authority/ Body the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

xvii. Change in control:

There will neither be any further change in the composition of the Board nor any change in the control of the company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment.

xviii. Disclosure with regard to the name of the Company, its promoter or any of its directors are not appearing in the list of wilful defaulter as issued by RBI:

Neither the Company's name nor any of its promoters or director's name is appearing in the list of wilful defaulters categorized by any bank or financial institution or consortium thereof.

xix. Lock-in requirements:

The Warrants and Equity Shares to be allotted on exercise thereof shall be subject to lock-in as per the ICDR Regulations. The entire pre-preferential allotment shareholding of the above allottees shall also be locked-in as per the Regulation 78 of the ICDR Regulations.

xx. Auditors' Certificate:

The Statutory Auditors' certificate certifying that the above issue of Warrants is being made in accordance with the ICDR Regulations, shall be placed before the Shareholders of the Company at the Annual General Meeting of the Company and shall also be available for inspection by the members at the Registered Office of the company during the business hours on any working days.

xxi. Material terms and other terms of Warrants:

- a) An amount equivalent to 25 percent of the Warrant Issue Price shall be payable at the time of subscription and allotment of each warrant and the balance 75 percent of the Warrant Issue Price shall be payable by the warrant holder(s) on or before the exercise of the entitlement attached to Warrant(s) to subscribe for Equity Share(s). The amount paid against Warrants shall be adjusted/set-off against the issue price for the resultant Equity Share.
- b) The Warrant holders shall, subject to ICDR Regulations, the Takeover Regulations and other applicable rules, regulations and laws, be entitled to exercise the Warrants in one or more tranches within a period of 18(eighteen) months from the date of the allotment of the Warrants by issuing a written notice to the Company specifying the number of Warrants proposed to be exercised. The Company shall accordingly, issue and allot the corresponding number of Equity Shares of Rs.10/- each to the Warrant holders.
- c) The Warrants shall be exercised in a manner that is in compliance with the minimum public shareholding norms prescribed for the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI LODR Regulations, and the Securities Contracts (Regulation) Rules, 1957.
- d) In the event, the Warrant holders do not exercise the Warrants within a period of 18(eighteen) months from the date of allotment, the Warrants shall lapse and the amount paid by the Warrant holder(s) on such Warrants shall stand forfeited by the Company.
- e) The Company shall ensure that the listing and trading approvals for Equity Shares to be issued and allotted to the Warrant holder(s) upon exercise of Warrants are received from the relevant stock exchanges in accordance with the ICDR Regulations and SEBI LODR Regulations.
- f) The Equity Shares to be so allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the existing Equity Shares of the Company
- g) The tenure of the convertible securities of the issuer shall not exceed 18 (Eighteen) months from the date of their allotment.

xxii. Undertakings

As required under the ICDR Regulations the Company hereby undertakes that,

- (a) It shall re-compute the price of the Warrants or Equity Shares to be issued on conversion of Warrants in terms of the ICDR Regulations, where it is required to do so.
- (b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the underlying Warrants/ Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees.

Further, the Company shall at all times comply with the minimum public shareholding requirements prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended, (the "SCRR") and Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations")

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, special resolution is required to be approved by members pursuant to applicable provisions of Companies Act, 2013 and Chapter VII of the SEBI Regulations. Your Directors, therefore, recommend the resolution for your approval.

The Company has not made any preferential issue of securities in this financial year, other than the proposed issuances as stated in this notice. The proposed allottees have not sold any equity shares of the Company during the six months preceding the Relevant Date.

The proposed allottees have not subscribed to any Warrants during the last one year. Further, it is hereby confirmed that neither the Company nor any of its Promoters or Directors are willful defaulter.

None of the Directors or any Key Managerial Personnel or any relative of any of the Directors/Key Managerial Personnel of the Company are, in anyway, concerned or interested, financially or otherwise, in the above resolution except Mr.Dantapalli Rohit Reddy, Managing Director & Promoter, and Ms. Dantapalli Sarojini Reddy, Promoter of the Company

The Board recommends the resolution for approval of the members as a **Special Resolution**.

Item No.8

As per the Regulation 17(6) payment of any fee/compensation to Non-Executive Directors other than the sitting fee for attending the board and/or committee meetings require approval of shareholder by way of resolution if your company wish to avail the services of the Non-executive Director(s).

Hence, the approval of Shareholders is sought for the resolution as set out in the Item No.8 by way of ordinary resolution

Except the Non-Executive Directors (and their relatives). None of the Director/Key Managerial Personnel of the Company, or their relatives interested in this Resolution. The

Board recommends Resolution as set out under Item No.8 of accompanying notice of the ensuing annual general meeting for your approval as an **Ordinary Resolution**.

By Order of the Board
For **Prajay Engineers Syndicate Limited**

Place : Hyderabad
Date : 29.08.2018

Sd/-
Dantapalli Rohit Reddy,
Chairman, Managing Director & CEO
DIN:07560450

Annexure - II

Information in respect of Director(s) seeking appointment/re-appointment as required under SEBI (LODR) Regulations, 2015.

I. Name of the Director	Mr. Dantapalli Rohit Reddy
Date of Appointment including terms and conditions of appointment	He was appointed as an Additional Director in the Board meeting of the Company held on 26 th October, 2017 and also appointed as Managing Director w.e.f 15 th November, 2017.
Date of first appointment on the Board	26.10.2017
Date of Birth	21.05.1992
Expertise in Specific Functional areas and Experience	Mr. Dantapalli Rohit Reddy is a Graduate of Civil Engineering from Pennsylvania State University. He oversees the progress of the construction work at all project sites in coordination with the project team. Being a Project Co-ordinator, he has experience in co-coordinating, leading and controlling the project activities, and implementing production, productivity, quality, and customer-service standards, and also having experience in resolving operational problems, and identifying work process improvements.
Educational Qualification	Mr. Dantapalli Rohit Reddy is a Graduate of Civil Engineering from Pennsylvania State University.
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None
Shareholding in the Company as on 31 st March, 2018	None
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	Two Board Meetings
II. Name of the Director	Mr. Ravi Kumar Kutikalapudi
Date of Appointment including terms and conditions of appointment	He was Originally appointed on the Board of the Company on 1 st February, 2009, and he was retired by rotation and being eligible reappointed as director in the Annual General Meeting held on 30 th Day of September, 2014.
Date of first appointment on the Board	26.10.2017
Date of Birth	06.02.1953
Expertise in Specific Functional areas and Experience	Technical expertise in construction and the adoption of progressive building practices.
Educational Qualification	Mr. Ravi Kumar Kutikalapudi is a Master of Technology and a Civil Engineer.
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None
Share holding in the Company as on 31 st March, 2018	50000
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	Seven Board Meetings

III. Name of the Director	Mr. Raghavender Reddy Marpadaga
Date of Appointment including terms and conditions of appointment	He was appointed as an Additional Director (Independent Category) in the Board meeting of the Company held on 14 th November, 2017
Date of first appointment on the Board	14.11.2017
Date of Birth	24.02.1972
Expertise in Specific Functional areas and Experience	Having an expertise in Project Management
Educational Qualification	Mr. Raghavender Reddy Marpadaga is Graduate of Science and Holds Masters Degree in Project Management
Directorships in other Companies	1
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None (except Sitting Fees)
Share holding in the Company as on 31 st March, 2018	42890
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	One Board Meeting

By Order of the Board
For **Prajay Engineers Syndicate Limited**

Place : Hyderabad
Date : 29.08.2018

Sd/-
Dantapalli Rohit Reddy,
Chairman, Managing Director & CEO
DIN:07560450

ROUTE MAP FOR 24TH ANNUAL GENERAL MEETING



DIRECTORS' (BOARD) REPORT

**To
The Members**

Prajay Engineers Syndicate Limited (the "Company" or "PESL")

Your Directors are pleased to submit the 24th Annual Report of your Company together with the Audited Financial Statements (both Standalone and Consolidated) for the Financial Year (FY) ended 31st March, 2018 and report of the Statutory Auditors thereon. Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL RESULTS:

Certain key aspects of your Company's performance (on Standalone & Consolidated basis) during the financial year ended 31st March, 2018, as compared to the previous financial year are summarized below:

(Amount in Rs. Lakhs except share data)

Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	4114.44	4590.41	5674.03	7317.98
Total Expenditure	6163.38	6676.46	7593.81	9546.30
Interest	1855.86	1861.82	1591.7	1592.25
Depreciation	490.37	507.27	557.17	574.70
Profit/(Loss) before Prior period Items	(2048.94)	*(2325.02)	(1919.78)	** (2193.30)
Prior period adjustments/ Exceptional items	179.90	179.90		
Profit before Tax	(1869.04)	(2145.12)	(1919.78)	(2193.30)
Current Tax	-	0.14	-	0.18
Prior period tax	(93.73)	(93.73)	-	-
Deferred Tax Change	172.27	169.79	208.01	203.98
Total Tax expenses	78.54	76.20	208.01	204.16
Profit/(Loss) after Tax/Profit for the year	(1947.58)	(2,221.32)	(2,127.79)	(2,397.46)
Other Comprehensive Income net of tax	(0.70)	(0.70)	(22.57)	(22.57)
Total comprehensive Income	(1948.28)	(2222.02)	(2150.36)	(2,420.03)
EPS (Basic and as well as Diluted)	(2.79)	(3.18)	(3.07)	(3.47)

* & ** Profit before Non-Controlling Interests/Share Profit /(Loss) of associates.

REVIEW OF OPERATIONS:

During the FY 2017-18, your company reported a consolidated turnover of Rs.4121.37 lakhs against Rs.6858.86 lakhs for the previous year and a loss of Rs.2222.02 lakhs as against Rs. 2420.03 lakhs for the previous year.

The standalone turnover of your company for the year 2017-18 stood at Rs.3662.16 lakhs as against Rs.5224.63 lakhs. Total loss for the FY 2017-18 is Rs.1948.28 lakhs as against Rs.2150.36 lakhs during 2016-17.

DIVIDEND:

In view of the loss incurred by the Company for the year under review, your Board of Directors donot recommend any dividend.

SUBSIDIARIES:

The Company has two subsidiaries viz; Prajay Holdings Private Limited (PHPL) and Prajay Retail Properties Private Limited (PRPPL) and one step down subsidiary viz; Prajay Developers Private Limited (PDPL) and two Associates viz: Prajay Properties Private Limited (PPPL) and Genesis Capital Private Limited as on 31st March, 2018. There has been no material change in the nature of the business of the subsidiaries. The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable Indian Accounting Standards (Ind AS), as specified under Section 133 of the Companies Act, 2013 (The Act) read with Rules made thereunder, forms part of this Annual Report.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the standalone financial statements of the Company.

SHARE CAPITAL:

There is no change in the capital structure of the company during the year under review.

TRANSFER TO GENERAL RESERVES

No amount has been transferred to General Reserves during the year under review.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

During the year under review the following are the changes in office of Directors and Key Managerial Personnel of the company:

- a) Mr. Raja Gopal Reddy Mekapati, Non-Executive Director vacated the office w.e.f 14th September, 2017, pursuant to the applicable provisions of the Companies, Act, 2013, However the Board of Directors took note of the same in their meeting held on 20th September, 2017.
- b) Mr. Dantapalli Vijaysen Reddy resigned from the office of the Director w.e.f 14th November, 2017.
- c) Mr. Raghavender Reddy Marpadaga, was appointed as an Additional Director w.e.f. 14th November, 2017. He was appointed as a Non-Executive Director under Independent Category.
- d) Mr. Dantapalli Rohit Reddy was appointed as an Additional Director, w.e.f. 26th October, 2017. He was further appointed as Managing Director and CEO of the Company w.e.f. 15th November, 2017. He was appointed as Chairperson of the Company and also designated as Key Managerial Personnel w.e.f. 14th February, 2018.

Pursuant to the provisions Section 161(1) of the Companies Act, 2013, Mr. Dantapalli Rohit Reddy and Mr. Raghavender Reddy Marpadaga, will hold the office till the date of this AGM. As recommended by the Nomination and Remuneration Committee, the Board proposed and recommend the regularization of Mr. Raghavender Reddy Marpadaga and Mr. Dantapalli Rohit Reddy as Directors. The Board further recommend the appointment of Mr. Dantapalli Rohit Reddy, Managing Director for the approval of members in this AGM.

In accordance with Section 152 of Companies Act, 2013, Mr. Ravi Kumar Kutikalapudi, Director of the Company, retires by rotation in this ensuing AGM to be held on 29th September, 2018, and being eligible offered himself for re-appointment. The Board recommends his re-appointment.

Mr. Neelakantam Nageshwara Rao, Non-Executive Independent Directors resigned from the office of Director w.e.f 6th August, 2018 and Mr. Vijay Kishore Mishra, Non-Executive Independent Director resigned from the office of Director w.e.f. 10th August, 2018. Ms. Deevi Madhavi Latha, Company Secretary and Compliance Officer resigned from the office w.e.f 3rd August, 2018.

Designations of Mr. Sumit Sen and Mr. Ravi Kumar Kutikalapudi were changed from Whole-time Director to Non-executive Director w.e.f 29th August, 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2017-18 and of the profit or loss of the Company for that period;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts for the year 2017-18 have been prepared on a going concern basis.
- e. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. The systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

BOARD EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013, and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

BOARD DIVERSITY:

The Policy on Board Diversity of the Company devised by the Nomination and Remuneration Committee and approved by the Board is disseminated under the weblink of the Company at www.prajayengineers.com/investors

CODE OF CONDUCT AND DECLARATION ON CODE OF CONDUCT BY MD & CEO:

Your Company has laid down a Code of Conduct for all Board members, Senior Management and Independent Directors of the company in line with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The said Code of Conduct has been posted on the website of the Company weblink www.prajayengineers.com/investors. Declaration of Code of Conduct is enclosed to this Board Report as an Annexure to Corporate Governance Report.

AUDIT COMMITTEE

The Composition of the Audit Committee is provided in the Corporate Governance Report forming part of this report. All the recommendations made by the Audit Committee were accepted by the Board.

ESTABLISHMENT OF VIGIL MECHANISM:

The Company has adopted a whistle blower policy establishing a vigil mechanism to provide a formal mechanism to the directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of code of conduct and ethics.

It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the chairperson of the audit committee in exceptional cases. The whistle blower policy aims for conducting the affairs in a fair and transparent manner by adopting higher standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the company are covered under the whistle blower policy.

It is affirmed that no personnel of the company has been denied access to the audit committee. The policy of vigil mechanism is available on the company's weblink www.prajayengineers.com/investors.

NOMINATION & REMUNERATION COMMITTEE:

Yours company has a Nomination and Remuneration Committee and further details as to its composition, meetings and director's attendance thereat are set out in the corporate governance report forming part of the Directors (Board) Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Salient Features of the Company's policy on directors' appointment and remuneration and other matters including performance evaluation are provided in the Corporate Governance Report which forms part of this board report. Nomination and Remuneration Policy available under weblink www.prajayengineers.com/investors

MEETINGS OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

Eight (8) meetings of the board of directors were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of the Directors (Board) Report.

MEETING OF INDEPENDENT DIRECTORS:

The details of the separate meeting of Independent Directors of the Company held during the year is reported in the Corporate Governance Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

All Independent Directors (IDs) inducted into the Board are provided with an orientation on company structure and board constitution and procedures, matters reserved for the Board, and our major risks and risk management strategy. The company has familiarized the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, etc., through various Interactions and familiarization programmes. The said familiarization programs are disclosed on the company's website www.prajayengineers.com/investors.

Details of the familiarization program of the independent directors are available on the website of the Company www.prajayengineers.com/investors.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgments etc.

DECLARATIONS BY INDEPENDENT DIRECTORS:

All Independent Directors have submitted declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Securities and Exchange Board of India.

AUDITORS:

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and all other applicable provisions and rules made there under, M/s. Karumanchi & Associates, Chartered Accounts, Hyderabad, has been appointed by the Shareholders of the Company in the 23rd Annual General Meeting held on 27th September, 2017, for a period of 4 years i.e. from the conclusion of 23rd AGM to till the conclusion of 27th AGM subject to ratification at every subsequent Annual General Meeting.

Your board recommend for the ratification of Statutory Auditors from the conclusion of ensuing Annual General Meeting till the conclusion of 27th AGM for the approval of shareholders.

REPLIES TO THE AUDITORS REMARKS/COMMENTS

Point No.8 of Annexure A to the Independent Auditor's Report.

Company is putting serious continuous efforts to re-pay the defaulted amounts to the banks through One Time Settlements.

INTERNAL AUDITOR:

The company has appointed Mr. M. Shanker, B.Com. and MBA-Finance, Employee of the company has been appointed as Internal Auditor of the company.

COST AUDIT:

Maintenance of cost records is not specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is in respect of the activities carried on by the company.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems and procedures designed to effectively control its operations. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Internal Auditor conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors. Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the company.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. M. Ramana Reddy, P S Rao & Associates, Practicing Company Secretaries as Secretarial Auditor, to undertake the Secretarial Audit of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the year ended 31st March, 2018 is annexed herewith to this Report as **Annexure-VII**.

POLICY ON PREVENTION, PROHIBITION AND REDRESAL OF SEXUAL HARASSMENT AT WORK PLACE

Your Company has in place the Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressed) Act, 2013, Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. Your company has been complied with the provisions relating to the constitution of ICC. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year under review, the Company has not received any complaint on sexual harassment.

POLICY ON MATERIAL SUBSIDIARIES

Policy for determining material subsidiaries of the Company is available on the website of the Company www.prajayengineers.com/investors

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report as required under Regulation 34 & Schedule V of Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and enclosed as **Annexure- IV** to this Directors (Board) Report.

CORPORATE GOVERNANCE

Report on Corporate Governance enclosed as **Annexure-V** to this board report. A certificate from the Practicing Company Secretary regarding compliance with the corporate governance norms stipulated also annexed to the corporate governance report.

EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return in Form MGT-9 as provided under Section 92(3) of the Companies Act, 2013 is given as **Annexure-VI** to this Report and also available at www.prajayengineers.com under weblink www.prajayengineers.com/investors

PUBLIC DEPOSITS:

During the Financial Year 2017-18, your Company has not accepted any deposit that falls within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. However, an amount of Rs. 1,38,617/- (including interest) remains unclaimed by the previous depositors.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES OR INVESTMENTS UNDER SECTION 186.

The details of loans given, investments made, guarantees given and securities provided during the year under Sec.186 of the Act are available under Note 8 & 9 of the notes to the standalone financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 and Pursuant to SEBI (LODR) 215 are given in Form AOC-2 and forms part of this Directors (Board) Report as **Annexure-I** and under Note 9 & 10 to financial accounts.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the latter part of the year under review, in the matter of in a petition filed by a shareholder against the company, the National Company Law Tribunal (NCLT) imposed Status Quo on impugned properties stating that not to alienate the properties. However, the same has been vacated/relaxed subsequently National Company Law Appellate Tribunal (NCLAT). Except as stated above, there are no significant material orders passed by the regulators/courts/tribunals which would impact the going concern status of your Company and its future operations. The company has given necessary disclosures to the stock exchanges in this regard, for the information of the shareholders.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

Due to the Status Quo imposed NCLT as stated above, during the latter part of the year your company was not able to sell the properties developed by it, and accordingly, unable to realise the investments made on the same. Except this there are no material changes and commitments in the business operations of the company for the financial year ended 31st March, 2018 and to the date of signing of the Director's Report.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is appended as **Annexure-II** to this Directors (Board) Report.

RISK MANAGEMENT:

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations.

The Company is mainly exposed to market risk, credit risk and liquidity risk. The company has a risk management policy and framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives, and enhance the Company's competitive advantage. This framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

CORPORATE SOCIAL RESPONSIBILITY:

The company has constituted a Corporate Social Responsibility Committee and details of the Committee have been provided under Corporate Governance Report.

INDUSTRIAL RELATIONS:

Yours directors are happy to report that the industrial relations have been cordial at all levels throughout the year. Your directors record their appreciation for all the efforts, support and co-operation of all employees being extended from time to time.

LISTING AT STOCK EXCHANGES:

The equity shares of your Company are listed on NSE and BSE (the stock exchanges). The listing fee for the year 2017-18 has been paid to both the stock exchanges.

CEO AND CFO CERTIFICATION AS PER REG. 17(8) OF SEBI (LODR) REGULATIONS, 2015:

As required by Reg. 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification on the Financial Statements and the Internal Control Systems for financial reporting has been obtained from Mr. Dantapalli Rohit Reddy – Managing Director and Chief Executive Officer and Mr. Bhaskara Rao Patnana – Chief Financial Officer of the company and the same was reviewed by the Board of Directors and is annexed to the Corporate Governance Report.

HUMAN RESOURCES:

Your Company recognizes that “Human Resource” is its main asset. Your Company HR policy aims at enhancing individual capabilities for future readiness, driving greater employee engagement and strengthening employee relations further.

Considering the present market conditions, your Company has down sized its human resources and retaining only that are directly relevant to its growth at this stage. To attract and retain people, your Company provides a judicious combination of attractive career, personal growth and a lucrative compensation structure. Your Company places great importance on nurturing and retaining the best skills in the industry.

INFORMATION TO BE FURNISHED UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Not applicable as no employee of the Company is in receipt of such remunerations specified under above stated rule. However the other information as required to be furnished under Rule 5(1) and 5(2) of above stated rules is provided under **Annexure- III**

ACKNOWLEDGEMENTS:

Your Directors thank the various Departments of Central/ State Government, SEBI, Stock Exchanges, RBI, MCA and other Regulatory Bodies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. Shareholders, Customers, Bankers, Suppliers, Joint Venture Partners and other business associates for the excellent support received from them. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution and confidence reposed in the management.

For and on behalf of the board
Prajay Engineers Syndicate Limited

Sd/-
Dantapalli Rohit Reddy
Chairman
DIN: 07560450

Place : Hyderabad
Date : 29.08.2018

Annexure - I
FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions **not at Arm's length basis - NIL**

Details of contracts or arrangements or transactions **at** Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Prajay Holdings Private Limited Subsidiary Company
b)	Nature of contracts/arrangements/transaction	Construction related services
c)	Duration of the contracts/arrangements/transaction	Work Order has been issued by subsidiary company on 25.09.2012 and valid till the completion of the project.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	To provide Infra works, Road Works, Civil & Allied works for Villas at project site Prajay Virgin County. The value of the Work Order is Rs.66.54 Crores
e)	Date of approval by the Board	The agreement is entered on arm-length basis, hence not required any board's approval. However as per Regulation 23 of SEBI (LODR) Regulations, 2015, the company has obtained the shareholders approval at the AGM held on 16.08.2016.
f)	Amount paid as advances, if any	Nil

2. Details of **Material contracts / arrangements / transactions at Arm's length basis**

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Prajay Properties Private Limited, Associate Company
b)	Nature of contracts/arrangements/transaction	Construction related services
c)	Duration of the contracts/arrangements/transaction	Joint Development Agreement was entered on 01.06.2010 and valid till the completion of the project.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	To construct a residential project comprising of high rise apartment blocks including car parking, club houses, and recreational facilities as per the development plan valuing Rs.808 crores.
e)	Date of approval by the Board	The agreement is entered on arm-length basis, hence not required any board's approval. However as per Regulation 23 of SEBI (LODR) Regulations, 2015, the company has obtained the shareholders approval at the AGM held on 16.08.2016.
f)	Amount paid as advances, if any	Nil

For and on behalf of the board
Prajay Engineers Syndicate Limited

Sd/-
Dantapalli Rohit Reddy
Chairman
DIN: 07560450

Place : Hyderabad
Date : 29.08.2018

Annexure-II

Information Pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

I. A Steps taken for conservation of energy:

- (a) Company is using CFL lamps with electronic ballasts in place of normal tube lights in staircases and terrace, which are saving 60% energy consumption than that of normal tube lights
- (b) In corridors of typical floors, we are using all LED light fixtures of lesser wattage, which is less in wattage by 50%
- (c) In the basement and external areas, we are using LED light fixtures which are less in wattage with high efficiency compared to normal conventional metal halide, sodium vapour & mercury vapour light fixtures. By using LEDs we will be able to save 50% energy consumption compared to that of CFL fixtures and 60-65% than the normal conventional light fixtures as mentioned above
- (d) Using high efficiency motors to save power consumption. Fire fighting pumps, PHE pumps which generally run continuously are of higher capacities and will consume more power. By using high efficiency motors, the power consumption will be saved by 18-20% than that of normal regular pumps.
- (e) Creating more number of fresh air paths to the basements to reduce utilization of mechanical ventilation system, resulting in reducing power consumption of forced ventilation system.

II. Steps taken by the Company for utilizing alternate sources of energy:

- (i) We are in planning of using Solar energy systems for street lighting, garden lighting & power to common loads like water pumps, fire pumps & basement ventilation fans which consume more energy
- (ii) DG power supply is one more alternative source of power supply to the premises in case of either shortage of power supply or in case of power failures. Even these generators are also of low emission with high efficiency alternators and engines to give longer span of life
- (iii) Commitment to a minimum level of certification under a green building rating will ensure that our customers are able to enjoy the benefits of clean fuels and lower energy bills.
- (iv) Innovative and intelligent planning and energy modeling is a core feature of our design practices. Orientation of our buildings coupled with appropriate fenestration significantly decreases the energy requirements for cooling and lighting.
- (v) Solar rooftop reduces the energy requirement for common area lighting. Solar water heating reduces the energy requirement for hot water in residential buildings.
- (iii) The capital investment on energy conservation equipments, if any:
There was no capital investment made on energy conservation equipments during the year under review.

B. TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption

(a) Technical Initiatives:

- Deployment of machines to substitute partly or fully manual work.
- Use of pre-fabrication fully or partly at site to increase reliability.
- Solar technologies for common area, parking and street lighting.
- Solar water heating for residential buildings.

(b) Process Initiatives:

- The organization of the work with the help of scheduling, structuring of work force in tandem with job descriptions and closing time gaps to ensure efficiency.
- In depth planning of construction activities/procedures which in turn will result in stable levels of quality, shorter time lines and reduced consumptions of man and material at site.
- The usage of special sub-contractors/consultants to realize tasks efficiently.

II. The benefits derived like product improvement, cost reduction, product development or import substitution:

-

- Cross learning's and best practices already implemented are being replicated across all projects to optimize the construction process in terms of cost and time.
- The cost of materials has been optimized through a revision of the procurement strategy while maintaining quality.
- Materials with less embodied energy are being included as alternate materials.

III. Information regarding imported technology (imported during last 3 years)

The Company has not imported any technology during last 3 years.

IV. Expenditure incurred on Research & Development: N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2017-18, there was no expenditure in foreign currency. The Company has not earned any foreign exchange during the year.

For and on behalf of the board
Prajay Engineers Syndicate Limited

Sd/-
Dantapalli Rohit Reddy
Chairman
DIN: 07560450

Place : Hyderabad
Date : 29.08.2018

Annexure-III

Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013

Statement of Particulars of Employees Pursuant to provisions of Section 197(12) of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: **Not Applicable, as no director is in receipt of any remuneration except sitting fee, during the financial year under review.**
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **Not Applicable.**
- The number of permanent employees on the rolls of company: **81**
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **Not Applicable, as there is no increase in remuneration of employees, no managerial remuneration was paid**
- Affirmation that the remuneration is as per the remuneration policy of the company: **Not applicable as not managerial remuneration was paid during the financial year under review. However the sitting fee paid to the non-executive directors is in conformity with the nomination and remuneration policy.**
- During the financial year under review, no employee of the company is in receipt of the remuneration as specified Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014
- List of top ten employees during the Financial Year 2017-18

Name	Age	Qualification	Designation	Date of Commencement of Employment	Experience (Years)	Gross Remuneration
Mr. Samir De	51	B.Tech (Civil)	Manager -Projects	February, 2012	26	95833
Mr. K Purushotham Rao	40	PG In Energy Management	MEP AGM	December, 2016	16	95500
Mr. P Bhaskar Rao	61	B.com, LLB, ICWAI	General Manager (Finance & Accounts)	January, 2012	26	93500
Mr. G Laxmi Narayana	36	B.Tech (Civil)	Billing Incharge	July, 2016	13	75300
Mrs. Deevi Madhavi Latha	45	Company Secretary (ICSI)	Company Secretary	December, 2007	11	65000
Mr. Raman Madhi Alagan	54	B.Tech (Civil)	AGM	August, 2015	26	63900
Mr. Nowsolla Sanjeevaiah	43	B.Tech (Civil)	Project Manager	April, 1997	21	63000
Mrs. P Purnima	52	B Com	Asst to Chairman and Managing Director	December, 1994	24	54600
Mr. Satish Kumar N	50	Bachelor of Hotel Management	GM	April, 2014	28	60000
Mr. P. Madhusudan	38	B.A	Senior Sales Manager	April, 2012	15	60000

On behalf of the Board
Prajay Engineers Syndicate Limited

Sd/-
Dantapalli Rohit Reddy
Chairman
DIN: 07560450

Place : Hyderabad
Date : 29.08.2018

Annexure-IV

MANAGEMENT DISCUSSION & ANALYSIS

Indian real estate is going through a major transformation in the recent years. Some of the big decisions and new policies of the Indian Government have affected the real estate sector in big way, albeit in positive or negative manner. Few of the policy changes introduced by the government such as demonetization, RERA, and REITs, followed by GST and FDI in 2017, have made huge impacts on Indian real estate sector. However, the new legislation and trends that have come up in the real estate market have the power to reshape the Indian real estate sector for a long term, and year 2018 can be a starting point towards the Indian real estate growth story.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Over view of the Real Estate Industry

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

Market Size

The Indian real estate market is expected to touch US\$ 180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. India is expected to witness an upward rise in the number of real estate deals in 2018, on the back of policy changes that have made the market more transparent.

Investments/Developments

Real estate continues to attract capital, demonstrating its stability and appeal over other asset classes in an otherwise uncertain investment world. The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. The construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.67 billion in the period April 2000-December 2017. Regulatory reforms, steady demand generated through rapid urbanisation, rising household income and the emergence of affordable and nuclear housing are some of the key drivers of growth for the sectors. 47% Investments inflows of housing sector are in real estate. Housing sector's contribution to the Indian GDP is expected to almost double to more than 11 per cent by 2020 up from estimated 5-6 per cent.

Government Initiatives

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Pradhan Mantri Awas Yojana (PMAY), Creation of National Urban Housing Fund was approved with an outlay of Rs 60,000 crore (US\$ 9.27 billion), Housing for all are the other initiatives .

2. OPPORTUNITIES, THREATS & CHALLENGES:

A. Opportunities:

Demand for residential properties has surged due to increased urbanisation and rising household income, growing economy, regulatory reforms, policy support, rapid urbanizations, relaxation in the FDI norms for real estate sector, growth in population, rise in the number of nuclear families, easy availability of finance, repatriation of NRIs and HNIs, rise in disposable income etc are the advantages/opportunities for real estate sector.

B. Threats & Challenges:

The real estate sector has been facing a number of issues. Despite the real estate sector contributing the third highest share to the Indian economy, the share in outstanding loans from banks to the sector is extremely low. Regulatory environment, substantial procedural delays with regard to land acquisition, land use, project launches and construction approvals, policy changes and regulatory bottlenecks may impact

profitability and affect the attractiveness of the sector and companies operating within the sector. Higher rates of statutory fees and other taxes inflate the cost of construction, making affordable housing projects financially unviable for the private sector developers. Shortage of manpower, unsold stock, scarcity of urban land and clear titles are other threats /challenges

3. SEGMENT WISE-PRODUCT WISE PERFORMANCE:

A detailed status of projects being implemented by the company is given below:

Prajay Waterfront City situated at Murharpally Village, Shamirpet

Prajay Waterfront City, spread across 72 acres of premium property in Shamirpet and overlooking a large natural lake offers an alluring lifestyle and is located adjacent to Genome Valley. This property is an approved DTCP layout with all gated community features along with state of the art clubhouse and other amenities and is in close proximity to Alexandria Knowledge Park, a mutli-crore Biotechnology SEZ. The phase- I is 95% completed.

The Phase II of Prajay Waterfront City was announced last year under Central Government Scheme, Pradhan Mantri Awas Yojana (PMAY) to facilitate the home buyers from the Low and Middle Income groups to get additional benefits announced by Hon'ble PM, Sri Narendra Modi. We have got a tremendous response for the project with 500 independent houses booked and the construction is in progress.

Prajay Virgin County (SPV Project) situated at Baghmankhal Village, Maheshwaram Mandal, R.R. District

This project is a product mix of two segments – Villas and Apartments, and in close proximity to Rajiv Gandhi International Airport, Hitech city, Gachibowli Financial District and other companies like FAB city, TATA aerospace, Adibatla. The “Villas Segment” of Virgin County consisting of around 230 Villas has achieved 100% bookings. These Villas have been handed over to the respective buyers with all amenities and infrastructure facilities such as club house, swimming pool(s) etc.

In the Apartment Segment of this project, the civil structure consisting of 432 flats were completed under Phase –I. Due to various reasons such as - zero bookings during the financial year, market off-take, and slump in real estate, the remaining phases of this segment have not been taken up yet.

Prajay Megapolis (SPV Project) situated at Hafeezpet Village, Serilingampally mandal, R.R. District – it is one of the prestigious projects of its kind coming up on a spread of 17.687 acres and will comprise around 2641 flats with 37,44,602.71 sft built up area, including parking comprising of 3 cellars, ground + 18 upper floors with all gated community facilities. First phase of the project consists of three blocks with 9 towers consisting 1113 flats of different sizes.

Seven Towers (No.12, 17, 18, 19, 20, 13 & 16) have been handed over and more than 500 families started staying. The other two towers (Tower no 14 & 15) shall be handed over by December 2018 including all infra structures and amenities.

Prajay Windsor Park situated at Pocharam, Ghatkesar Mandal, R.R. District – this project is proposed as a gated community apartment on about 11 acres of land near Hyderabad-Warangal Highway and shares neighbourhood with premier institutions like Raheja Mind Space, Sanskrity Township and Infosys campus. Since the realty sector is passing through a tough phase for the past few years, the company plans to hold this project in the pipeline for some more time.

Prajay Princeton Towers situated at L.B. Nagar, Saroornagar Mandal, R.R. District – Princeton Towers project is one of its kind business opportunity in the heart of Saroor nagar, LB Nagar with 13 floors – Ground+ 4 floors are meant for commercial purpose, 5th for office space and the rest 7 floors for hotel rooms, restaurants and banquet halls. The project has been funded by a consortium lead by State Bank of India.

Part of the commercial space in ground floor and fifth floor are sold. Third & fourth floors are occupied by Future Lifestyle (Brand Factory), first & second floors are available Part of office space in fifth floor is leased to different firms/clients.

Prajay Blue Hope (Joint Development with Legend) situated at Abids Road, Hyderabad – Prajay Blue Hope is a commercial cum residential project with 8 floors on 4032 sq. yards and situated at the heart of the city at Abids. Ground and First floor are meant for retail purpose, 2-4 floors earmarked for Office space and the rest 5-8 floors are meant for residential purpose – the construction work is in progress.

4. OUTLOOK:

Looking at the positive aspects of the reforms, there is a big possibility that years 2018-19 are going to be the bumper years for the Indian realty market. The transformation of market has attracted the eyes of domestic and foreign investors, and there are various positive trends observed by the experts, which point towards a more pro-active, positive and growing Indian Real Estate sector.

One of the major signs of revival for Indian property market, investments by global investors has increased recently, with various international property funds and investors acquiring strong positions in Indian realty space. Improvements in India's overall credibility with transformation of regulatory framework has built up an attractive destination for both global and Indian investors.

With the enactment of RERA Act (Real Estate Regulation and Development Act, 2016), a deadline has been fixed for the projects to be completed, which will force developers to re-zig their business models. The developers will require to bring more transparency as well as accountability in their processes, and do a lot more to increase consumer confidence in the project. Also, other legislative reforms such as The Goods and Service Tax (GST) Act 2017 as well as the Benami Transactions (Prohibition) Amendment Act 2016, will have a major impact on the business models and work ethics of developers, and will bring in more confidence of domestic and foreign investors into the market, which may result in higher and sustainable demand in the long run.

In India, there is an estimated shortage of around 40 million houses (urban and rural). In addition, population growth of 1.3 per cent per annum, favourable demographics, rise of concept of 'nuclear families', increased migration to urban areas, fiscal benefits, rising income/aspirations, etc. could lead to another 10 million demand for houses per annum.

Apart from various other factors, improvement in industrialization and trade opportunities in the recent past and new concepts like co-working spaces popping up across Indian Metros and as well as Tier-II cities are also fuelling the demand for commercial office space in various cities in India.

Tourism and hospitality industry

Tourism in India was always a big revenue generator for the Indian economy and one of the key driver for creation of jobs in various cities and region in India. It is a critical and economically important industry in India, which has started to show signs of revival in the recent years. India has generated USD 230 billion in year 2017, which is equivalent to 9.4% of the nation's GDP. The sector is predicted to grow at an annual rate of 6.9% to USD 490 billion by 2028 (9.9% of GDP), which should result in good demand and high growth for the hospitality industry. The steady improvement suggest a strong outlook for the hospitality sector, which is showing all signs of revival and expected to grow in mid to long run.

Your company's business development strategy shall be aligned towards less capital intensive projects, sharing and development management models. Additionally, your company will focus on sourcing land with large capital requirements in our target geographies under the residential co-investment platform with the company acting as the development manager for these projects and sharing the equity projects as well. Your company will continue to improve its project execution capabilities through continuously improving internal processes and internal capability building. Optimizing return on capital and developing crisis and risk management capabilities will continue to remain the company's focus area.

5. RISKS AND CONCERNS:

Market price fluctuation: The performance of your Company may be affected by the sales and rental realisations of its projects. These prices are driven by prevailing market conditions, the nature and location of the projects, and other factors such as brand and reputation and the design of the projects. Your Company follows a prudent business model and tries to ensure steady cash flow even during adverse pricing scenario.

Industrial cyclicality: The real estate market is inherently a cyclical market and is affected by macro economic conditions, changes in applicable governmental schemes, changes in supply and demand for projects, availability of consumer financing and liquidity. Your company is attempting to hedge these risks by adopting models comprising joint ventures, residential platforms. However, any further significant down turn in the industry and the overall investment climate may adversely affect the business.

Statutory approvals: This sector is heavily regulated by the central, state and local governments. Real estate developers are required to comply with a number of laws and regulations. Delays in approvals cause delay in project completion timelines, leading to capital blockage and high interest burden to the developers.

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

Market Risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits.

Credit Risk: Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Liquidity Risk: The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The company aims to understand measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has adequate internal control systems and procedures designed to effectively control its operations. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Internal Auditor conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors. Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the company.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Revenue / loss from Operations: The company's revenues are reduced to Rs. 3,662.16 Lakhs during the year as against Rs. 5,224.63 Lakhs during the previous year, a reduction of Rs. 1,562.47.

EBIDTA: EBIDTA is negative and stood at Rs. (297.29) Lakhs in the financial year 2017-18 as against Rs.(229.10) Lakhs in the financial year 2016-17.

The reason for negative EBIDTA is due to adverse market conditions in Real Estate and construction sectors in and around Hyderabad where the company has concentrated its operations and also due to increase in cost of key inputs.

Profits & ratios:

The company has incurred a loss of Rs. 1,948.28 Lakhs during the financial year as against a loss of Rs. 2,150.36 Lakhs for the corresponding previous year. The basic earnings per share stood at Rs. (2.79) for the current financial year as against Rs. (3.07) for the previous financial year. However, the current ratio of the company for the year 2017-18 is 1.14

Shareholders' funds:

There is no change in the capital structure of the company during the year under review and the net worth of the company stands at a comfortable position of Rs. 58,828.74 Lakhs.

Loan Funds:

The company continues to get the support from its bankers and financial institutions. The debt to equity position of the company remains at a comfortable position, when compared to acceptable level of 2:1. The secured borrowings of the company stood at Rs. 2,267.06 Lakhs at the end of the financial year.

8. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

Your company believes that the quality of employees is the key to its success and is committed to provide necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements.

Industrial relations during the year continued to be cordial and the Prajay group is committed to maintain good industrial relations through effective communication, meetings and negotiations.

CAUTIONARY STATEMENT:

The above management discussion and analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals time cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulations etc.

For and on behalf of the board
Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 29.08.2018

Sd/-
Dantapalli Rohit Reddy
Chairman
DIN: 07560450

Annexure-V

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Code of Governance

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organizations wealth generating capacity. This is ensured by conducting business with a firm commitment to values, while at the same time, meeting stakeholders' expectations.

Your Company's Philosophy on Corporate Governance Overseas business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The guiding principles and practices are summarized in this report and these are articulated through the Company's Code of Conduct for Board of Directors and senior management, policies and charters of various committees of the board and the company's disclosure policies.

2. Board of Directors

Composition of the Board

As on 31st March, 2018 Prajay Board consists of 8 (Eight) Members of whom 5 (Five) are Independent Directors. The Board is in conformity with the applicable law and listing requirements.

Board Meetings

During the financial year under review, 8 (Eight) Board Meetings were held. The dates on which the Board meetings were held are 05.04.2017, 30.05.2017, 14.08.2017, 28.08.2017, 20.09.2017, 26.10.2017, 14.11.2017 and 14.02.2018. Proceedings of such meetings were duly recorded.

The details of Board of Directors and their attendance of Board Meetings, Annual General Meeting and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

Name	DIN	Category	No of Board Meetings Entitled During the year	No of Board Meetings attended	No. of directorships held in other Indian public limited companies	No. of Chairman/ Membership held in committees of other Indian public limited companies	Number of shares/ convertible instruments held
*Mr. Dantapalli Vijaysen Reddy	00291185	Chairman and Managing Director and CEO	7	7	0	0	12315183
Mr. Ravi Kumar Kutikalapudi	02789546	Whole-time Director	8	7	0	0	50000
**Mr. M. Raja Gopala Reddy	01657095	Non-Executive - Non Independent Director	4	0	0	0	0
***Mr. Nageshwar Rao Neelakantam	00992324	Non-Executive - Independent Director	8	4	0	0	500
Mr. Sokke Kaliveerappa Rudresh	01033473	Non-Executive - Independent Director	8	2	0	0	0
Mr. Sumit Sen	01028417	Whole-time Director	8	7	0	0	1468693
****Mr. Vijay Kishore Mishra	00995683	Non-Executive - Independent Director	8	7	0	0	1063034

Name	DIN	Category	No of Board Meetings Entitled During the year	No of Board Meetings attended	No. of directorships held in other Indian public limited companies	No. of Chairman/ Membership held in committees of other Indian public limited companies	Number of shares/ convertible instruments held
Mrs. Padmaja Kota	07543055	Non-Executive - Independent Director	8	8	0	0	0
****Mr. Dantapalli Rohit Reddy	07560450	Executive Director, Managing Director – CEO	2	2	0	0	0
*****Mr. Raghavender Reddy Marpadaga	06936544	Non-Executive - Independent Director	1	1	0	0	42890

- * Mr. Dantapalli Vijaysen Reddy has resigned from the office of Managing Director on 14.11.2017
- ** Mr. M. Raja Gopala Reddy has ceased from the office of the Director w.e.f 14.09.2017
- *** Mr. Nageshwar Rao Neelakantam has resigned from the office of the Director on 06.08.2018
- **** Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018
- ***** Mr. Dantapalli Rohit Reddy has appointed as Additional Director w.e.f 26.10.2017 and as Managing Director on 15.11.2017 and w.e.f. 14.02.2018 as Chairman and CEO of the Company
- *****Mr. Raghavender Reddy Marpadaga appointed as the Independent Director on 14.11.2017

Committee positions only of the Audit Committee and the Stakeholders Relationship Committee in Public Companies if any has been disclosed. Memberships of the Directors in various committees are within permissible limits of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

As on 31.03.2018, No Director is related to any other Director on the Board.

Attendance for Annual General Meeting of FY 2016-2017:

Mr. Dantapalli Vijaysen Reddy, Mr. Ravi Kumar Kutikalapudi, Mr. Sumit Sen, Mr. Vijay Kishore Mishra and Mrs. Padmaja Kota, Directors of the Company attended the 23rd Annual General Meeting held on 27th September, 2017.

Brief details of the Director(s) Appointed/re-appointed

Brief details of Directors appointed/re-appointed at this Annual General Meeting as per Regulation 36 of SEBI (LODR) Regulations, 2015 are as under:

Mr. Dantapalli Rohit Reddy – Chairman, Managing Director & CEO

Mr. Dantapalli Rohit Reddy is a Graduate of Civil Engineering from Pennsylvania State University. He oversees the progress of the construction work at all project sites in coordination with the project team. Being a Project Co-ordinator, he has experience in co-ordinating, leading and controlling the project activities, and implementing production, productivity, quality, and customer-service standards, and also having experience in resolving operational problems, and identifying work process improvements.

Date of Appointment including terms and conditions of appointment	He was appointed as an Additional Director in the Board meeting of the Company held on 26 th October, 2017 and also appointed as Managing Director w.e.f 15 th November, 2017.
Date of first appointment on the Board	26.10.2017
Date of Birth	21.05.1992

Expertise in Specific Functional areas and Experience	Mr. Dantapalli Rohit Reddy is a Graduate of Civil Engineering from Pennsylvania State University. He oversees the progress of the construction work at all project sites in coordination with the project team. Being a Project Co-ordinator, he has experience in co-ordinating, leading and controlling the project activities, and implementing production, productivity, quality, and customer-service standards, and also having experience in resolving operational problems, and identifying work process improvements.
Educational Qualification	Graduate of Civil Engineering from Pennsylvania State University.
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None
Shareholding in the Company as on 31 st March, 2018	None
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	Two Board Meetings

Mr. Raghavender Reddy Marpadaga – Independent Director

Mr. Raghavender Reddy Marpadaga is Graduate of Science and holds Masters Degree and has expertise in Project Management.

Date of Appointment including terms and conditions of appointment	He was appointed as an Additional Director (Independent Category) in the Board meeting of the Company held on 14 th November, 2017
Date of first appointment on the Board	14.11.2017
Date of Birth	24.02.1972
Expertise in Specific Functional areas and Experience	Possesses an expertise in Project Management
Educational Qualification	Mr. Raghavender Reddy Marpadaga is Graduate of Science and Holds Masters Degree in Project Management
Directorships in other Companies	1
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None (except Sitting Fees)
Shareholding in the Company as on 31 st March, 2018	42890
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	One Board Meeting

Mr. Ravi Kumar Kutikalapudi – Director (Technical)

Mr. Ravi Kumar is a Master of Technology and a Civil Engineer and 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.

Date of Appointment including terms and conditions of appointment	He was Originally appointed on the Board of the Company on 1 st February, 2009 and he was re-appointed with current designation as Non-Executive Director at the board meeting dated 29.08.2018.
Date of first appointment on the Board	26.10.2017
Date of Birth	06.02.1953
Expertise in Specific Functional areas and Experience	Technical expertise in construction and the adoption of progressive building practices.
Educational Qualification	Mr. Ravi Kumar Kutikalapudi is a Master of Technology and a Civil Engineer.
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None
Shareholding in the Company as on 31 st March, 2018	50000
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	Seven Board Meetings

INDEPENDENT DIRECTORS MEETING

The Independent Directors met on 14th February, 2018, without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter-alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole and also evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

3. COMMITTEES OF THE BOARD:

The Company has in place all the Committees of the Board which are required to be constituted under the Companies Act, 2013 and Listing regulations.

A. AUDIT COMMITTEE:

Audit Committee comprises of 5 (Five) members with Independent Directors forming majority. During the year there are no instances where the Board had not accepted the recommendations of the Audit Committee. In additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

During the financial year, Six (6) meetings were held on 05.04.2017, 30.05.2017, 14.08.2017, 28.08.2017, 14.11.2017 and 14.02.2018.

Details of the composition of the Committee and attendance of the members at the meeting:

Name	Designation	Category	No. of Meetings Entitled to Attend	No. of Meetings Attended
*Mr. Vijay Kishore Mishra	Chairman	Non-Executive - Independent Director- Chairman	6	6
**Mrs. Padmaja Kota	Member	Non-Executive - Independent Director	6	6
Mr. Nageshwar Rao Neelakantam	Member	Non-Executive - Independent Director	6	3
Mr. Sokke Kaliveerappa Rudresh	Member	Non-Executive - Independent Director	6	2
***Mr. Raghavender Reddy Marpadaga	Member	Non-Executive - Independent Director	1	1

* Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018

** Mr. Nageshwar Rao Neelakantam has resigned from the office of the Director on 06.08.2018

*** Mr. Raghavender Reddy Marpadaga appointed as the Independent Director on 14.11.2017

Note: The Managing Director, Company Secretary, CFO and the Statutory Auditors were also invited to the Committee Meetings.

B. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 the Board of Directors Constituted Nomination and Remuneration Committee, The Nomination and Remunerations will oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the Annual General Meeting of the shareholders. A meetings of Nomination and Remuneration Committee were held on 14.08.2017, 26.10.2017 and 14.11.2017 during the financial year under review. However, the performance of Non-Independent Directors, Performance of Chairman and Board as a whole was reviewed by the Independent Directors in their meeting held without the presence Non-Independent Directors and each Director's performance was reviewed by the Board (by excluding the Director being evaluated from the meeting during the time of evaluation) in its meeting held on 14.02.2018.

Details of the composition of the Committee

Name	Designation	Category
*Mr. Vijay Kishore Mishra	Chairman	Non-Executive - Independent Director- Chairman
Mrs. Padmaja Kota	Member	Non-Executive - Independent Director
**Mr. Nageshwar Rao Neelakantam	Member	Non-Executive - Independent Director
***Mr. Raghavender Reddy Marpadaga	Member	Non-Executive - Independent Director
****Mr. M. Raja Gopala Reddy	Member	Non-Executive – Independent Director

* Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018

** Mr. Nageshwar Rao Neelakantam has resigned from the office of the Director on 06.08.2018

*** Mr. Raghavender Reddy Marpadaga appointed as the Independent Director on 14.11.2017

**** Mr. M. Raja Gopala Reddy has ceased from the office of the Director w.e.f 14.09.2017

Performance evolution criteria for independent directors:

Performance evaluation criteria for Independent Directors is as per the Performance Evaluation, Nomination and Remuneration Policy

Nomination and Remuneration Policy has been framed with below stated objectives as recommended by the Nomination & Remuneration Committee jointly with the Human Resources Department of the Company and adopted by the Board of Directors at its meeting held on 2nd August, 2014. The said policy is available under weblink www.prajayengineers.com/investors.

The objective and purpose of the Policy is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration, to carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel, to provide them reward linked directly to their effort, performance, dedication and achievement of Organization's goals as entrusted on them and to retain, motivate and promote talent and to ensure long term retention of talented managerial persons and create competitive advantage.

No remuneration is paid to either to Managing Director or other Executive Directors pursuant to section 197 of Companies Act, 2013. However, the Non-executive Directors including Independent Directors are receiving remuneration by way of sitting fee as stated above. The Sitting fee paid to the Non-Executive Directors including Independent Director was fixed by the Board and is within the limits as prescribed. Hence, the same was not subject to shareholders' approval in the General Meeting.

There were no pecuniary relationships or transactions of the Non-Executive Director's vis-à-vis the Company, other than payment of Board fees and no investments (if any) in shares / securities of the Company.

The details with respect to criteria for making payments to non-executive directors are available on the company's website: www.prajayengineers.com

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Terms of Reference:

The remit of the Stakeholders Relationship Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

Name	Designation	Category
*Mr. Vijay Kishore Mishra	Chairman	Independent Director
**Mr. M Raja Gopala Reddy	Member	Non-Independent Director
***Mr. N Nageshwara Rao	Member	Independent Director
Mr. Sumit Sen	Member	Executive Director
****Mr. Raghavender Reddy Marpadaga	Member	Independent Director

* Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018

** Mr. M. Raja Gopala Reddy has ceased from the office of the Director w.e.f 14.09.2017

*** Mr. Nageshwar Rao Neelakantam has resigned from the office of the Director on 06.08.2018

**** Mr. Raghavender Reddy Marpadaga appointed as the Independent Director on 14.11.2017

During the year under review, there were no complaints were received from the shareholders

Particulars	Complaints pending at the beginning of the period ended	Complaints received during the period ended.	Disposed off/resolved during the period ended	Closing Balance
First Quarter	0	6	6	0
Second Quarter	0	2	2	0
Third Quarter	0	2	2	0
Fourth Quarter	0	0	0	0

Mrs. Deevi Madhavi Latha, Company Secretary and Compliance Officer of the Company acted as secretary of the Committee for the year under review and the company has designated exclusive e-mail Id: investorrelations@prajayengineers.com for redressal of shareholders complaints / grievances.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As per the provisions of Sec. 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2013 the company has constituted a Corporate Social Responsibility Committee and the members of the committee are as under.

Sl. No.	Name of the Director	Category	Member/chairperson
1.	*Dantapalli Rohit Reddy	Executive Director	Chairman
2.	Ravi Kumar Kutikalapudi	Executive Director	Member
3.	Sumit Sen	Executive Director	Member
4.	**Vijay Kishore Mishra	Non-Executive Independent Director	Member

* Mr. Dantapalli Rohit Reddy has appointed as Additional Director w.e.f 26.10.2017 and as Managing Director on 15.11.2017 and w.e.f. 14.02.2018 as Chairman and CEO of the Company

** Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018

Although Committee on Corporate Social Responsibility is formed, the company could not spend any amounts on any of the activities mentioned in Schedule VII of Companies Act, 2013 or any other activity related to those mentioned in the said schedule, due to the losses incurred for the past few years.

However, the company is committed to adhere to the provisions of the Companies Act, 2013 and the rules made there under on Corporate Social Responsibility, once the company starts reporting profits in the coming years.

4. REMUNERATION OF DIRECTORS AND OTHER DETAILS

Name of the Director	Relation-ship with other director	Business relationship with the company	Loans and advances from the company	Remuneration paid during the year 2017-18 (in Rupees)			
				Sitting Fee	Sal-ary	Com-mission	Total
*Mr. Dantapalli Vijaysen Reddy	None	Promoter - Director	Nil	0	0	0	0
Mr. Ravi Kumar Kutikalapudi	None	None	Nil	0	0	0	0
**Mr. M Raja Gopala Reddy	None	None	Nil	0	0	0	0
***Mr. Nageshwar Rao Neelakantam	None	None	Nil	5000	0	0	5000
Mr. Sokke Kaliveerappa Rudresh	None	None	Nil	0	0	0	0
Mr. Sumit Sen	None	None	Nil	0	0	0	0
****Mr. Vijay Kishore Mishra	None	None	Nil	20000	0	0	20000
Mrs. Padmaja Kota	None	None	Nil	35000	0	0	35000
*****Mr. Dantapalli Rohit Reddy	None	Related to Mr. Dantapalli Vijaysen Reddy	Nil	0	0	0	0
*****Mr. Raghavender Reddy Marpadaga	None	None	Nil	15000	0	0	15000

* Mr. Dantapalli Vijaysen Reddy has resigned from the office of Managing Director on 14.11.2017

** Mr. M. Raja Gopala Reddy has ceased from the office of the Director w.e.f 14.09.2017

*** Mr. Nageshwar Rao Neelakantam has resigned from the office of the Director on 06.08.2018

**** Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018

***** Mr. Dantapalli Rohit Reddy has appointed as Additional Director w.e.f 26.10.2017 and as Managing Director on 15.11.2017 and w.e.f. 14.02.2018 as Chairman and CEO of the Company

***** Mr. Raghavender Reddy Marpadaga appointed as the Independent Director on 14.11.2017

5. GENERAL BODY MEETINGS

a) Details of location, date and time of Annual General Meetings held during the last three years:

Financial Year	Location	Date and Time
2014-15	Prajay Corporate House, 1-10-63 & 64, Chikoti Gardens, Begumpet, Hyderabad – 500016	30 th September, 2015 at 3.00 P.M.
2015-16	Prajay Corporate House, 1-10-63 & 64, Chikoti Gardens, Begumpet, Hyderabad – 500016	16 th August, 2016 at 3.00 P.M.
2016-17	Hotel Woodbridge, A.C. Guards, Lakadikapul, Hyderabad – 500004	27 th September, 2017 at 12.00 Noon

b) Details of Special Resolutions passed during the last 3 (Three) Financial Years

Date of passing special Resolution	Resolu-tion No	Purpose of the Resolution	Votes in favour of the resolution		Votes against the reso-lution	
			Number	Percent-age on valid votes polled	Number	Percent-age on valid votes polled
30.09.2015	5	To re-appoint Mr. Sumit Sen as Whole Time Director	30745081	99.98	3793	0.01
	6	To re-appoint Mr. Dantapalli Vijaysen Reddy as Manag-ing Director	16074821	99.97	3793	0.02
16-08.2016	6	To approve transactions with related parties	17680722	99.99	1116	0.00

c) In terms of Companies Act, 2013 and SEBI (LODR) Regulations, your company provided e-voting facility to its shareholders to cast their votes electronically through the Karvy Computershare Private Limited E-voting platform. The Company had appointed Paleti Narendar Reddy, Advocate as scrutinizer for conducting e-voting and as well poll at Annual General Meeting. They have submitted combined report to the Chairman after completion of scrutiny and the results were then announced and sent to the Stock Exchanges and displayed on the Company's website.

6. MEANS OF COMMUNICATION

The un-audited quarterly results and audited results for the year are generally published in widely circulated English news papers namely (Business Standard) and also in widely circulated vernacular newspapers such as Prajasakthi) within the prescribed time lines of Listing Regulations. The results are also displayed on the Company's web-site. No news releases and presentation were either made to Institutional Investors or were displayed in the website.

7. GENERAL SHAREHOLDERS INFORMATION

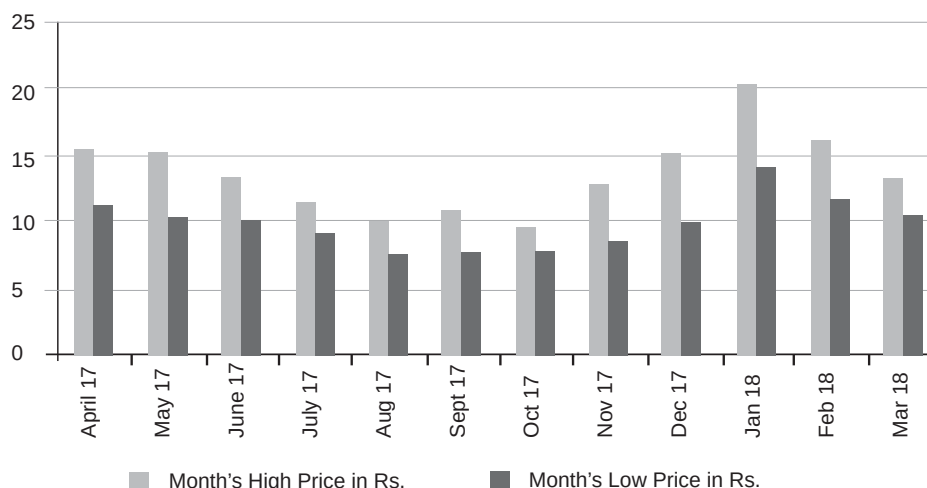
a	Annual General Meeting	24 th Annual General Meeting
b	Date of Annual General Meeting	29-09-2018
c	Venue	1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana
d	Time	3.00 P.M.
e	Book Closure	Friday, September 21 st , 2018 to Wednesday, September 29, 2018
f	Financial Year	2017-18
g	Dividend Payment Date	Not Applicable

h	Calendar for declaration of quarterly financial results	The results of every quarter beginning from April are declared within the prescribed time-limits of Listing Regulations. These results normally published by the Company in the Leading English News Papers like Business Standard and in one vernacular newspaper Prajasakthi within specified time. The Copies of all quarterly results are available on website
i	Details of Stock Exchanges where in the shares of the Company are listed	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
j	Stock ID/Code	BSE: 531746 & NSE: PRAENG
k	ISIN	INE505C01016
l	Listing Fee for Financial Year 2017-18	Paid

m. Market price date, high, low during each month in last financial year

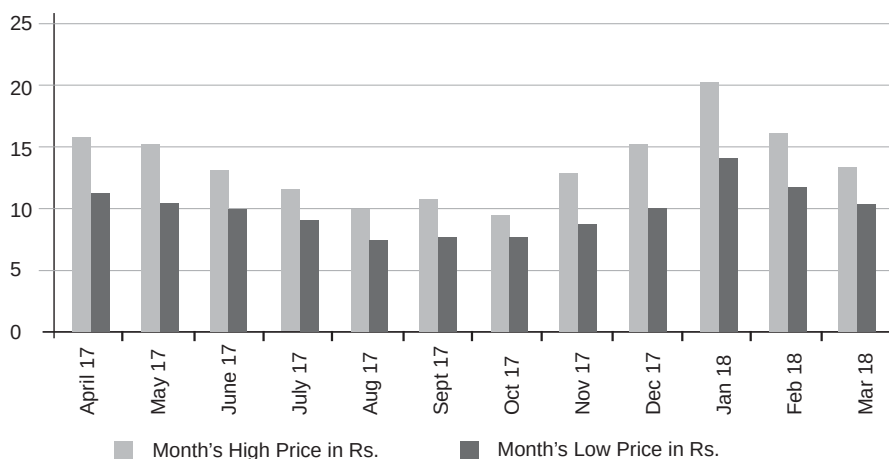
a) BSE

Month/Year	Month's High Price in Rs.	Month's Low Price in Rs.
Apr-2017	15.50	11.35
May-2017	15.20	10.36
Jun-2017	13.37	10.17
Jul-2017	11.50	9.11
Aug-2017	10.00	7.50
Sep-2017	10.85	7.72
Oct-2017	9.55	7.75
Nov-2017	12.80	8.64
Dec-2017	15.15	10.00
Jan-2018	20.34	14.13
Feb-2018	16.20	11.75
Mar-2018	13.24	10.60

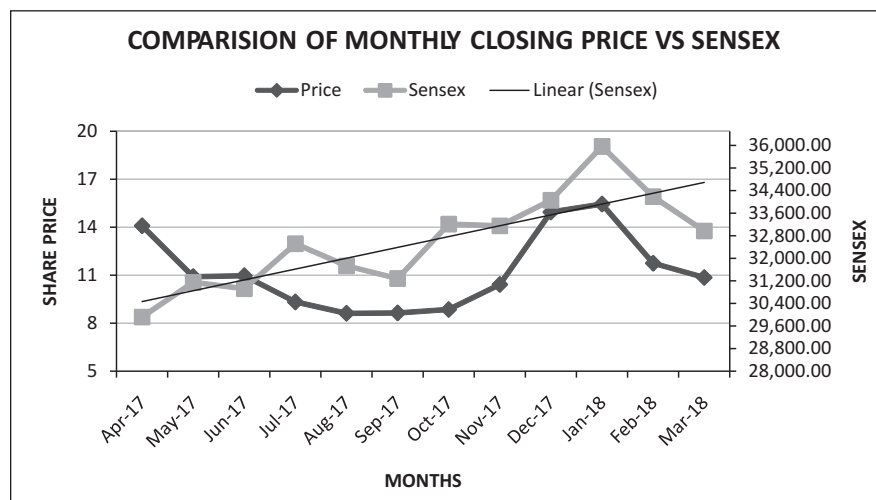


b) **NSE**

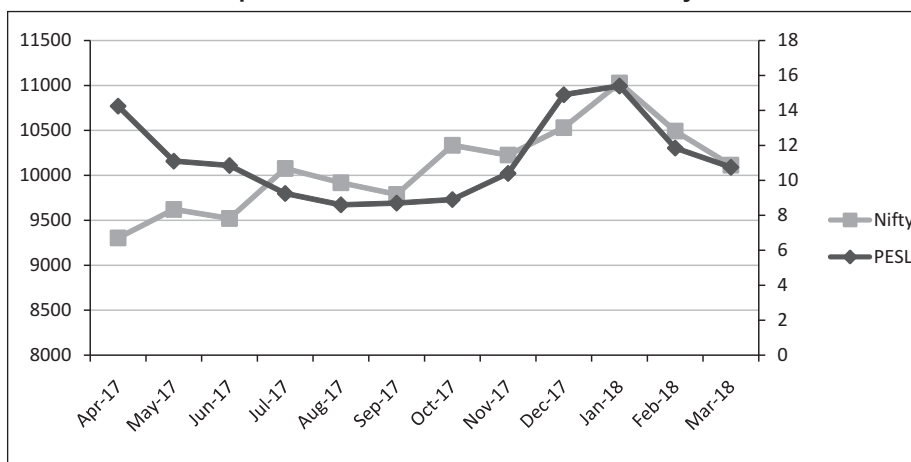
Month/Year	Month's High Price in Rs.	Month's Low Price in Rs
Apr-17	15.75	11.2
May-17	15.2	10.5
Jun-17	13.2	10
Jul-17	11.65	9.15
Aug-17	10.1	7.5
Sep-17	10.75	7.65
Oct-17	9.45	7.8
Nov-17	12.85	8.75
Dec-17	15.25	10
Jan-18	20.3	14.15
Feb-18	16.15	11.75
Mar-18	13.4	10.35



n. i. **Performance in comparison to broad based indices of BSE SENSEX:**



ii. **Performance in comparison to broad based indices of Nifty:**



- o. During the financial year the company shares were not under suspension from trading.
p. Registrar and Share Transfer Agents

Karvy Computershare Private Limited

Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad-500032
Tel No: 040-67161606
E Mail: einward.ris@karvy.com

- q. Share Transfer System:

Share transfers are processed by the Registrar and Share Transfer Agent M/s. Karvy Computershare Private Limited and approved by the Stakeholders Relationship Committee. At present, the share transfers received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

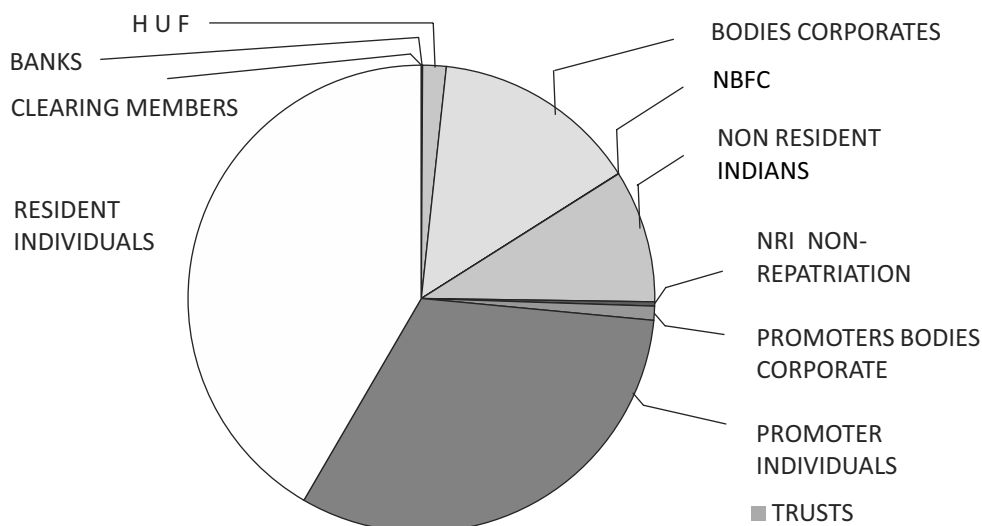
A Certificate on half-yearly basis confirming due compliance of share transfer formalities by the company from Practicing Company Secretary as required under Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is obtained from Mr. P. Konda Reddy, Practicing Company Secretary and submitted to Stock Exchanges within stipulated time.

- r. Distribution of Shareholding as on 31st March, 2018

Sl. No 1.	Shareholding of Nominal Value (Rs.) 2	Shareholders		Number of Shares 3.	Share Amount	
		Nos.	%		(Rs.)	%
a.	Up to 5000	11645	69.44	2161106	21611060	3.09
b.	5001 - 10000	2211	13.18	1912501	19125010	2.73
c.	10001 - 20000	1281	7.64	2044845	20448450	2.92
d.	20001 - 30000	489	2.92	1283973	12839730	1.84
e.	30001 - 40000	220	1.31	801748	8017480	1.15
f.	40001 - 50000	237	1.41	1139862	11398620	1.63
g.	50001 - 100000	331	1.97	2527616	25276160	3.61
h.	100001 & Above	356	2.12	58064140	580641400	83.02
	TOTAL	16770	100.00	69935791	699357910	100.00

Categories of Shareholders:

Sl.No.	Description	% Equity	Shares
1	Banks	0.00	1000
2	Clearing Members	0.08	56357
3	HUF	1.63	1138890
4	Bodies Corporates	14.29	9993762
5	NBFC	0.02	15493
6	Non Resident Indians	9.20	6431880
7	NRI Non-Repatriation	0.30	212592
8	Promoters Bodies Corporate	0.97	675236
9	Promoter Individuals	31.90	22312782
10	Resident Individuals	41.60	29096299
11	Trusts	0.00	1500
	Total:	100.00	69935791



s. Dematerialization of Shares:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) under ISIN INE505C01016. As on 31st March, 2018, 99.24% of the totals shares of the Company have been dematerialized.

t. Outstanding: GDR/ADR/Warrants/Options/any convertible instruments:

As on 31st March, 2018 the Company has no GDR /ADR/Warrants/ Options/any other convertible instruments.

u. Commodity price risk or foreign exchange risk and hedging activities: **Not Applicable**

v. Location of Center of the company

	Place	Address
1	Hyderabad	82-293/82/A, Plot No.1091, Road No.41, Near Peddamma Temple, Jubilee Hills, Hyderabad-500033, Telangana. Telephone No: 040-66222999
	email-Id:	info@prajayengineers.com

Address for Correspondence

The Company has appointed M/s Karvy Computer Share Private Limited. as a Common Transfer Agent for Demat of shares.

Any query relating to shares and requests for transactions such as transfers, transmissions and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/Annual Report, as also regarding dematerialization of shares may please be taken up with the Company's Registrar and Transfer Agent.

1	RTA Address	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Telephone No. 040-67161606 E Mail: einward.ris@karvy.com
2	Registered Address of the Company	82-293/82/A, Plot No.1091, Road No.41, Near Peddamma Temple, Jubilee Hills, Hyderabad-500033, Telephone No: 040-66222999 email-Id: info@prajayengineers.com Website: www.prajayengineers.com

For and on behalf of the board of
Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 29.08.2018

Sd/-
Dantapalli Rohit Reddy
Chairman
DIN: 07560450

Sd/-
Sumit Sen
Director
DIN: 01028417

CEO & CFO CERTIFICATION

We, Dantapalli Rohit Reddy, Managing Director and Bhaskar Rao Patnana, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31st March, 2018 and to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
 - i. significant changes in the internal control over financial reporting during the year;
 - ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the board of
Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 29.08.2018

Sd/-
Dantapalli Rohit Reddy
Managing Director & CEO
DIN: 07560450

Sd/-
Bhaskara Rao Patnana
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Prajay Engineers Syndicate Limited.

We have examined the compliance of conditions of Corporate Governance by Prajay Engineers Syndicate Limited ('the Company') for the year ended 31st March, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad
Date : 29.08.2018

Sd/-
For **M. Ramana Reddy,**
P S Rao & Associates
Practicing Company Secretaries
M. No.: 37864
C.P No.: 18415

DECLARATION ON CODE OF CONDUCT

- I. Dantapalli Rohith Reddy, Managing Directors & Chief Executive Officer of the company hereby confirm pursuant to Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that:
- “The Board has laid down a Code of Conduct for all Board members, Senior Management and Independent Directors of the company in line with the provisions of Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The Code of Conduct has been posted on the website of the Company. All the board of directors and the senior management personnel have confirmed compliance with the code of conduct and ethics for the financial year ended 31st March, 2018.”

Place : Hyderabad
Date : 29.08.2018

Sd/-
Dantapalli Rohit Reddy
Managing Director & CEO
DIN: 07560450

Annexure-VI
FORM MGT -9

EXTRACT OF ANNUAL RETURN

(for the Financial Year ended 31st March, 2018)

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L45200TG1994PLC017384
ii	Registration Date	19-04-1994
iii	Name of the Company	Prajay Engineers Syndicate Limited
iv	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-government Company
v	Address of the Registered Office	8-2-293/82/A, Plot No.1091-A, Road No. 41, Near Peddamma Temple, Jubilee Hills, Hyderabad – 500 033, Telangana
vi	Contact Details of the Company	Phone: 040-66222999 Fax:040-66222966 Email: info@prajayengineers.com Website: www.prajayengineers.com
vii	Whether Listed Company	Yes
viii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nana-kramguda, Hyderabad – 500 032 Phone:040-67161606 Website: www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products/services	NIC Code of the product/ Service	% to total turnover of the company
1	Construction and Real Estate Development	4100	59.77
2	Hospitality & Hotels & Resorts	55101	40.23

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/LLPN	Holding/ Sub-sidiary/ Associate	% of-shares/ contribu-tion held	Section under Companies Act, 2013
1.	Prajay Holdings Private Limited H. No. 1-10-63 & 64, Prajay Corporate Office, Chikoti Gardens, Begumpet, Hyderabad – 500016.	U51909TG2006PTC053715	Subsidiary	78	2 (87) (ii)
2	Prajay Retail Properties Private Limited 8-2-293/82/A, Plot No.1091-A, Road No.41, Jubilee Hills, Hyderabad-500033, Telangana.	U70109TG1977PTC002176	Subsidiary	100	2 (87) (ii)
3	Prajay Properties private limited 8-2-293/82/A, Plot No.1091, Road No.41, Jubilee Hills, Hyderabad500 033	U70102TG2007PTC053296	Associate	49.49	2 (6)
4	Genesis Capital Private Limited C/o. ABAX Corporate Services Limited 6th Floor, Tower A, 1 Cyber city, Ebene, Republic of Mauritius	-	Associate	50	-
5	*Prajay Developers Private Limited 5th Floor, Prajay Corporate House, Chikoti Gardens, Hyderabad – 500016	U51909TG2006PTC057831	Step-down Subsidiary	100	NA

**Prajay Developers Private Limited is Subsidiary of Prajay Holdings Private Limited, where in Prajay Holdings Private Limited is subsidiary of Prajay Engineers Syndicate Limited*

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of total equity)

i). Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2017				No of shares held at the end of the year 31.03.2018				%Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	22312782	0	22312782	31.90	22312782	0	22312782	31.90	Nil
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	675236	0	675236	0.97	675236	0	675236	0.97	0
e) Banks/Fl	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
(2) Foreign									
g) NRIs – Individuals	0	0	0	0	0	0	0	0	0
h) Others- Individuals	0	0	0	0	0	0	0	0	0
i) Bodies –Corp	0	0	0	0	0	0	0	0	0
j) Banks/Fl	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= A(1)+(A2)	22988018		22988018	32.87	22988018		22988018	32.87	Nil

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2017				No of shares held at the end of the year 31.03.2018				%Change during the year Demat
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
B. Public Shareholding									
(1) Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	1000	0	1000	0.00	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt									
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital I Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (B) (1)	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corporate	10986811	4300	10991111	15.72	9989462	4300	9993762	14.29	-1.43
b) Individuals									
Individual shareholders holding nominal value upto Rs1 Lakh	13416470	240084	13656554	19.53	11090947	225084	11316031	16.18	-3.35
Individual shareholders holding nominal value in excess of Rs1 Lakh	10297829	285700	10583529	15.13	14793579	299700	15093279	21.58	6.45
Others Specify									
NBFC's Registered with RBI	8300	0	8300	0.01	15493	0	15493	0.02	0.01
Clearing Members	67891	0	67891	0.09	56357	0	56357	0.08	-0.01
NRI's	6440909	0	6440909	9.21	6431880	0	6431880	9.20	-0.01
HUF's	929151	0	929151	1.33	1138890	0	1138890	1.63	0.30
Directors & Relatives	4124297	0	4124297	5.90	2686989	0	2686989	3.84	-2.06
Trusts	1500	0	1500	0.002	1500	0	1500	0.002	0
NRI (Non-Repatriable)	144531	0	144531	0.21	212592	0	212592	0.30	-0.09
Sub Total B(2)	46417589	530184	46947773	67.13	46418689	529084	46947773	67.13	0
Total Public Shareholding B(1)+(B(2)	46417589	530184	46947773	67.13	46418689	529084	46947773	67.13	0
C.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	69405607	530184	69935791	100	69406707	529084	69935791	100	0

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			%of change in shareholding during the year
		No. of shares	% of total Shares of the company	%Shares Pledged/ encumbered to total shares of promoters	No. of shares	% of total Shares of the company	%Shares Pledged/ encumbered to total shares of promoters	
1	Dantapalli Vijay Sen Reddy	12315183	17.61	Nil	12315183	17.61	Nil	Nil
2	D. Hymavathi Reddy	8237618	11.78	Nil	8237618	11.78	Nil	Nil
3	Dantapalli Sharmila Reddy	1759981	2.52	Nil	1759981	2.52	Nil	Nil
4	Vijmohan Constructions Private Limited	674936	0.96	Nil	674936	0.96	Nil	Nil
5	Prajay Chit Fund Private Limited	300	0.00	Nil	300	0.00	Nil	Nil

iii. Change in Promoters' shareholding

Sl. No		Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	22988018	32.87	There is no change in the shareholding of the promoters during the year under review.	
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	NIL			
	At the End of the year	22988018	32.87		

iv. Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs):

Sl. No	Name	Shareholding				Reason	Cumulative Shareholding	
		No of shares at the beginning of FY and percentage	Increase/ Decrease	Date of Change	No of shares at the end of FY and percentage		No of shares	% of the total shares of the company
1	Shalini Rodrigo Torbol	3444489 & 4.93	-	-	3444489 & 4.93	-	3444489	4.93
2	Ultimate Money Makers India Pvt. Ltd	2880733 & 4.12	-191733	07/04/2017		Sale	-10000	4.10
				14/04/2017		Sale	-2500	4.10
				21/04/2017		Sale	-5000	4.09
				16/06/2017		Sale	-5000	4.09
				23/06/2017		Sale	-30000	4.04
				01/09/2017		Sale	-28233	4.00
				03/11/2017		Sale	-111000	3.84
					2689000 & 3.84		2689000	3.84
3	Claus Christian Torbol	1543309 & 2.21	-	-	1543309 & 2.21	-	1543309	2.21
4	M. Abhinav Reddy	1537000 & 2.20	-	-	1537000 & 2.20	-	1537000	2.20
5	Vansh Value Realty Private Limited	1500000 & 2.14	-	-	1500000 & 2.14	-	1500000	2.14
6	Maplenet Technologies Pvt. Ltd	1500000 & 2.14	-	-	1500000 & 2.14	-	1500000	2.14
7	VDB Projects Private Limited	1438451	-	-	1438451 & 2.14	-	1438451	2.06
8	Money Tree Media Ventures Pvt. Ltd	1000000 & 1.43	-1000000	01/12/2017	Nil	Sale	0	0
9	Naga Sreenu Gollapalli	951958 & 1.36	-	07/04/2017		Sale	-1958	1.36
			25495	14/04/2017		Sale	-20000	1.33
			8	28/04/2017		Purchase	24042	1.36
				05/05/2017		Sale	-42	1.36
				12/05/2017		Purchase	36000	1.42
				19/05/2017		Purchase	39767	1.47
				26/05/2017		Purchase	28433	1.51

Sl. No	Name	Shareholding				Reason	Cumulative Shareholding	
		No of shares at the beginning of FY and percentage	Increase/ Decrease	Date of Change	No of shares at the end of FY and percentage		No of shares	% of the total shares of the company
				02/06/2017		Sale	-302	1.51
				09/06/2017		Sale	-398	1.51
				16/06/2017		Sale	-2500	1.51
				23/06/2017		Sale	-16000	1.49
				30/06/2017		Purchase	12500	1.50
				28/07/2017		Purchase	7500	1.51
				04/08/2017		Sale	-9000	1.50
				11/08/2017		Purchase	9000	1.51
				25/08/2017		Purchase	16000	1.54
				01/09/2017		Sale	-5000	1.53
				08/09/2017		Sale	-2500	1.53
				15/09/2017		Sale	-17500	1.50
				29/09/2017		Purchase	8000	1.51
				06/10/2017		Sale	-86000	1.39
				13/10/2017		Sale	-14800	1.37
				20/10/2017		Sale	-57200	1.29
				27/10/2017		Sale	-10000	1.27
				31/10/2017		Purchase	10000	1.29
				03/11/2017		Sale	-5000	1.28
				10/11/2017		Sale	-25000	1.24
				17/11/2017		Sale	-10000	1.23
				01/12/2017		Purchase	19415	1.26
				08/12/2017		Sale	-19415	1.23
				22/12/2017		Sale	-10000	1.22
				05/01/2018		Sale	-10000	1.20
				12/01/2018		Sale	-40000	1.14
				19/01/2018		Purchase	5000	1.15

Sl. No	Name	Shareholding				Reason	Cumulative Shareholding	
		No of shares at the beginning of FY and percentage	Increase/ Decrease	Date of Change	No of shares at the end of FY and percentage		No of shares	% of the total shares of the company
				09/02/2018		Sale	-5000	1.14
				16/02/2018		Sale	-10000	1.13
				23/02/2018		Purchase	10000	1.14
				02/03/2018		Sale	-80000	1.03
				09/03/2018		Sale	-20000	1.00
				23/03/2018		Sale	-3000	1.00
							697000 & 1.00	
10	P.Purnima	711045 & 1.02	159572	07/07/2017	870617 & 1.24	Purchase	159572	
							870617	1.24
11	Arun Kumar Kedia S	483958 & 0.69	-	-	483958 & 0.69	-	483958	0.69
12	Varsha Somani	693067 & 0.99	-	-	693067 & 0.99		693067	0.99
13	Zaki Abbas Nasser	0	600000	23/06/2017	600000 & 0.85	Purchase	470000	0.85
				22/09/2017		Purchase	10000	
				03/11/2017		Purchase	40000	
				17/11/2017		Purchase	30000	
				24/11/2017		Purchase	50000	
							600000	0.85

v. Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of the Director/KMP	Shareholding at the beginning of the year 01.04.2017		Bought during the year	Sold during the year	Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
1.	Sumit Sen	1468693	2.10	0	0	1468693	2.10
2.	K. Ravi Kumar	50000	0.07	0	0	50000	0.07
3.	N. Nageshwara Rao	500	0.00	0	0	500	0.00
4.	Vijay Kishore Mishra	1063034	1.52	0	0	1063034	1.52
5.	Sokke Kaliveerappa Rudresh	0	0	0	0	0	0
6.	Raghavender Reddy Marpadaga	0	0	0	0	42890	0.06
7.	Dantapalli Rohit Reddy	0	0	0	0	0	0
8.	Padmaja Kota	0	0	0	0	0	0
9.	Bhaskara Rao Patnana	7410	0.01	0	0	7410	0.01
10.	Deevi Madhavi Latha	5700	0.008	0	0	5700	0.008

V. INDEBTEDNESS
Indebtedness of the Company including outstanding/accrued but not due for payment

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	150,81,00,176	7,606,988	7,100,000	1,522,807,164
ii) Interest due but not paid	1,068,795,118	-	38,617	1,068,833,735
iii) Interest accrued but not due	373,234	-	-	373,234
Total (i+ii+iii)	2,577,268,528	7,606,988	7,138,617	2,592,014,133
Change in indebtedness during the Financial year				
-Addition	372,115,989	-	-	372,115,989
-Reduction	168,730,166	59,600	-	168,789,766
Net Change	203,385,823	(59,600)	-	203,326,223
Indebtedness at the end of the year				
i) Principal Amount	1,339,370,010	7,547,388	7,100,000	1,354,017,398
ii) Interest due but not paid	1,441,284,341	-	38,617	1,441,322,958
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,780,654,351	7,547,388	7,138,617	2,795,340,356

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/ of Manager : Nil

B. Remuneration to other Directors (In Rupees)

Name	Fee for attending board meeting	Commission	Others, please specify	Total Remuneration
I. In Non Executive Independent Directors				
Nageshwar Rao Neelakantam	5000	0	0	5000
Vijay Kishore Mishra	20000	0	0	20000
Raghavender Reddy Marpadaga	15000	0	0	15000
Padmaja Kota	35000	0	0	35000
Total	75000	0	0	75000

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD: In Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial officer	Total
1	Gross Salary	744000	1122000	1866000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
0	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - Others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	744000	1122000	1866000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil.

For and on behalf of the board of
Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 29.08.2018

Sd/-
Dantapalli Rohit Reddy
Chairman, Managing Director & CEO
DIN: 07560450

Sd/-
Sumit Sen
Director
DIN: 01028417

Annexure-VII
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31-03-2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Prajay Engineers Syndicate Limited,

We have conducted the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by Prajay Engineers Syndicate Limited (hereinafter called the company or PESL). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the audit period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the company has not issued any debt securities during the financial year under review)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the company has not delisted its equity shares from any stock exchange during the financial year under review)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable as the company has not bought back any of its securities during the financial year under review)**
 - (i) The Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the period from 1st April, 2017 to 31st March, 2018.

6. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
7. Other general laws, and specific laws applicable to company i.e. laws applicable to real estate and hospitality sectors including Real Estate (Regulation and Development) Act, 2016 (both central and state laws) ;:

We report that during the period under review the Company has complied predominantly with the provisions of the Act, Rules, Regulations, Guidelines, except the following:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all the directors of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at such meetings.
4. I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
5. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India were predominantly followed.
6. During the period under the review, it is observed that the company has complied with applicable provision of Companies Act and Rules made there under. However, there are delays in filing of necessary forms with registrar of companies.

Sd/-

For **M. Ramana Reddy,**
P S Rao & Associates

Practicing Company Secretaries

M.No. 37864

C.P. No 18415

Place : Hyderabad

Date : 29.08.2018

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A to Secretarial Audit Report

To
The Members,
Prajay Engineers Syndicate Limited
Hyderabad, Telangana.

Secretarial Audit Report of even date is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practises we followed provide a reasonable basis for our opinion.
3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Place : Hyderabad
Date : 29.08.2018

Sd/-
For **M. Ramana Reddy,**
P S Rao & Associates
Practicing Company Secretaries
M.No. 37864
C.P. No 18415

Independent Auditor's Report

To the Members of

M/S. PRAJAY ENGINEERS SYNDICATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **PRAJAY ENGINEERS SYNDICATE LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Loss(financial performance including other comprehensive income), cash flows of the Company and the changes in equity of company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone Ind AS financial statements by the Board of Directors of the company.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs(Financial Position) of the Company as at March 31, 2018, and its Loss(Financial Performance including other comprehensive income) and its Cash Flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following:

- a) Note 39(a) of the Standalone Financial Statements, in respect of trade receivable considered good include an amount of Rs.21059.50 Lakhs due from customers which are outstanding for more than six months. We are unable to comment on the realisation of these receivables in the absence of conformation from the concerned parties. An amount of Rs.1246.96 Lakhs is set aside towards provision for trade receivables considered as doubtful.
- b) Note 39(b) of the standalone financial statements, in respect of Loans & Advances amounting to Rs.5621.56 Lakhs towards purchase of Land/Development towards certain project of long term nature, and an amount of Rs.2018.77 Lakhs given to suppliers, etc outstanding from earlier years. We are unable to comment on the realisation of these advances. An amount of Rs.700 Lakhs is set aside towards provision for Advances considered as doubtful.

Our Opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Statement Cash Flow, Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 34(c) to the Standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosure regarding details of specified bank notes held and transacted during 8th November, 2016 to 30th December, 2016 has not been made since the requirement does not pertain to financial year ended 31st March, 2018.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's registration number:001753S

K.Peddabbai

Partner

M. No : 025036

Place : Hyderabad

Date : 30.05.2018

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Ind AS financial statements of the Company for the year ended March 31, 2018:

Statement on matters specified in paragraphs 3 & 4 of the Companies (Auditor’s Report) Order, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, The Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its Assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) The Inventory includes construction work in progress and cost of development rights in Identified land. Physical verification of inventory has been conducted in reasonable Interval by the management. No material discrepancies noticed on such verification.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute, Except as given below

Particulars	Amount (Rs.Lakhs)	Period To Which The Amount Relates(FY)	Forum Where the Dispute Is Pending
Income Tax	873.55	2007-08	ITAT
Income Tax	75.64	2010-11	ITAT
Service Tax	1820.62	2006-07 To 2010-11	CESTAT

- 8) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to banks. Principal amounts aggregating Rs.9090.28 Lakhs are due from December 2012 To March 2018, Interest amounts aggregating Rs.14326.32 Lakhs are due from April 2013 to March 2018. The Company has not taken loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, during the year the managerial remuneration is not paid or provided. Hence specific approvals from Central Government with reference to section 197 read with Schedule V to the Companies Act does not arise.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's registration number:001753S

K.Peddabbai

Partner

M. No : 025036

Place : Hyderabad

Date : 30.05.2018

“Annexure B” to the Independent Auditors Report of even dated on the standalone Ind AS Financial Statements PRAJAY ENGINEERS SYNDICATE LIMITED.

Report on Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013(“the Act”)

We have audited the internal financial controls over financial reporting of PRAJAY ENGINEERS SYNDICATE LIMITED (“The Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accountants of India”. These Responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at march 31,2018,based on “ The Internal control Over Financial Reporting Criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued By The Institute of chartered accountants of India.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's registration number:001753S

K.Peddabbai

Partner

M. No : 025036

Place : Hyderabad

Date : 30.05.2018

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	6	12,858.54	13,353.02
Capital work-in-progress		23,594.00	21,540.24
Intangible assets	7	2.47	0.91
Financial assets			
Investments	8	13,340.25	13,339.40
Loans	9	74.45	75.85
Other non-current assets	10	4,921.56	5,447.53
		54,791.27	53,756.95
Current assets			
Inventories	11	38,596.54	36,554.12
Financial assets			
Investments	8	3.28	3.28
Trade receivables	12	19,864.86	19,991.98
Cash and bank balances	13	428.41	405.16
Loans	9	753.49	727.28
Current tax assets, gross		534.68	990.24
Other current assets	10	2,044.64	2,107.17
		62,225.90	60,779.23
Total assets		117,017.17	114,536.18
Equity and Liabilities			
Equity			
Equity share capital	14	6,993.58	6,993.58
Other equity	15	51,835.16	53,783.44
Total equity		58,828.74	60,777.02
Non-current liabilities			
Financial Liabilities			
Borrowings	16	2,024.57	2,303.40
Provision for Gratuity		98.80	83.65
Deferred tax liabilities (net)	17	1,337.39	1,165.12
		3,460.76	3,552.17
Current liabilities			
Financial Liabilities			
Borrowings	16	4,504.73	3,368.02
Trade payables	18	21,786.24	21,535.29
Other financial liabilities	19	23,890.39	21,385.40
Other current liabilities	20	4,397.21	3,285.06
Liabilities for current tax assets		149.10	633.22
Total liabilities		54,727.67	50,206.99
Total equity and liabilities		117,017.17	114,536.18
Summary of significant accounting policies	1 to 5		
The accompanying notes are an integral part of the standalone financial statements.			

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No. CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	21	3,662.16	5,224.63
Other income	22	452.28	449.40
Total income		4,114.44	5,674.03
Expenses			
Cost of Land, Plots and Constructed Properties	23	2,193.34	3,603.41
Direct Cost Hotels & Resorts	23	472.99	472.38
Employee benefits expense	24	422.30	566.17
Depreciation and amortisation expense	25	490.37	551.17
Finance costs	26	1,855.86	1,591.71
Other expenses	27	728.52	808.98
Total expense		6,163.38	7,593.81
Profit before prior period items		(2,048.94)	(1,919.78)
Prior period adjustments		179.90	
Profit before Tax		(1,869.04)	(1,919.78)
Tax expenses			
Current tax		-	-
Prior Period Tax		(93.73)	-
Deferred tax charge		172.27	208.01
Total tax expense		78.54	208.01
Profit for the year		(1,947.58)	(2,127.79)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities		(0.87)	(0.32)
Re-measurement gains/ (losses) on defined benefit plan		-	(27.56)
Income-tax effect		0.17	5.31
Other comprehensive income for the year, net of tax		(0.70)	(22.57)
Total comprehensive income for the year		(1,948.28)	(2,150.36)
Earnings per equity share (nominal value of INR 10) in INR			
Basic and Diluted		(2.79)	(3.07)
Summary of significant accounting policies	1 to 5		
The accompanying notes are an integral part of the standalone financial statements.			

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No. CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

a. Equity Share Capital	No. of shares	Amount
Equity shares of INR 10 each issued		
At March 31, 2017	70,267,291	7,026.72
At March 31, 2018	70,267,291	7,026.72
Equity shares of INR 10 each subscribed and fully paid-up		
At March 31, 2017	69,935,791	6,993.58
At March 31, 2018	69,935,791	6,993.58

b. Other equity

Particulars	Reserves and Surplus				Total
	Share Premium	Capital Reserve	General reserve	Retained Earnings	
At April 1, 2016	40,762.16	475.80	1,999.08	12,696.76	55,933.80
Profit for the year				(2,127.79)	(2,127.79)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				(0.32)	(0.32)
Re-measurement gains/ (losses) on defined benefit plans				(27.56)	(27.56)
Income-tax effect				5.31	5.31
At March 31, 2017	40,762.16	475.80	1,999.08	10,546.40	53,783.44
Profit for the year				(1,947.58)	(1,947.58)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				(0.87)	(0.87)
Re-measurement gains/ (losses) on defined benefit plans, net of tax				-	-
Income-tax effect				0.17	0.17
Balance as of 31 March 2018	40,762.16	475.80	1,999.08	8,598.12	51,835.16

Summary of significant accounting policies 1 to 5

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No. CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Operating activities		
Profit before tax	(1,869.04)	(1,919.78)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	490.36	551.16
Amortisation of intangible assets	0.01	0.01
Finance income (including fair value change in financial instruments)	(10.63)	(5.04)
Finance costs (including fair value change in financial instruments)	1,856.73	1,592.03
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	127.12	1,519.18
(Increase)/ decrease in inventories	(2,027.13)	(316.01)
(Increase)/ decrease in loans	(24.81)	257.60
(Increase)/ decrease in other assets	588.50	20.56
Increase/ (decrease) in trade payables and other financial liabilities	2,855.04	3,604.84
Increase/ (decrease) in provisions	15.15	30.90
Increase/ (decrease) in other non financial liabilities	1,112.32	339.93
	3,113.62	5,675.38
Income tax paid	65.17	(101.39)
Net cash flows from operating activities	3,178.79	5,573.99
Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(2,066.50)	(1,931.80)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(1.72)	(1.56)
Interest received (finance income)	10.63	5.04
Net cash flows used in investing activities	(2,057.59)	(1,928.32)
Financing activities		
Proceeds / (repayment) from long term borrowings, net	(278.83)	(2,685.82)
Proceeds / (repayment) from short term borrowings, net	1,136.71	866.82
Interest paid	(1,955.83)	(1,552.35)
Net cash flows from/ (used in) financing activities	(1,097.95)	(3,371.35)
Net increase / (decrease) in cash and cash equivalents	23.25	274.32
Cash and cash equivalents at the beginning of the year (refer note 13)	405.16	130.84
Cash and cash equivalents at the end of the year (refer note 13)	428.41	405.16

Note: Cash & Cash Equivalents INR 0.16 lakhs in Escrow account (31.03.2017 : INR 0.16 lakhs)

Summary of significant accounting policies

1 to 5

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No. CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

1. General information

Prajay Engineers Syndicate Limited (the Company) is a public company domiciled & incorporated under the provisions of the Companies Act, 1956 on April 19, 1994. The Company is engaged primarily in the business of real estate construction, development and maintaining hospitality projects. The shares of the Company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

2. Basis of preparation of financial statements

2.1 Statement of Compliance

The financial statements of the Company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015.

2.2 Accounting convention

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- long term borrowings are measured at amortized cost using the effective interest rate method.

2.3 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of our Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

3. Significant accounting policies

3.1 Revenue recognition

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of taxes and applicable trade discounts and allowances.

- (i) Revenue from sale of land / plots is recognized in the financial year in which the agreement to sell is executed, at which time all the following conditions are satisfied:
 - the Company has transferred to the buyer the significant risks and rewards of ownership;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the land sold;

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

- the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (ii) Revenue from constructed properties (excluding service tax/GST) is recognized on the "percentage of completion method". The total sale consideration as per the agreements to sell constructed properties entered is recognized as revenue only when the stage of completion is 20 percent or more when the outcome of the project can be estimated reliably. When it is probable that total costs will exceed the total project revenue the expected loss is recognized immediately. Service tax / GST does not form part of gross revenue.
- (iii) Contract revenue from the construction contracts are recognized on "percentage of completion method measured by survey of work performed" depending on the nature of the contract. The revenue on construction contract is recognized only when the stage of completion is 20 percent or more when the outcome of the contract can be estimated reliably. When it is probable that the total cost exceeds the total contract revenue, the expected loss is recognized immediately.
- (iv) Income from sale of Rooms, Food and Beverages and allied services relating to hotel operations is recognized upon rendering of the service. Income stated is exclusive of amount received towards sales tax/ service tax /GST etc.
- (v) In respect of membership (club) sales, revenue is recognized as under:
- Life membership, Permanent membership and Time-share membership over a period of 15 years.
 - Long-term membership over a period of 3 years.
 - Health club membership fully in the year of receipt.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.2 Cost of construction

Cost of constructed properties includes cost of land (including land under agreements to purchase), estimated internal development costs, external development charges, constructions costs and development/ construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognized, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

Cost of Construction Contracts includes estimated construction costs and construction material, which is charged to the statement of profit and loss based on percentage of revenue recognized measured by survey of work performed as per accounting policy above, depending on the nature of the contract, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

Overhead expenses comprising costs other than those directly charged to the jobs are distributed over the various projects on a pro-rata basis having regard to the activity and nature of such projects.

3.3 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.4 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3.6 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.7 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

3.8 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income)/expense, net" in the income statement.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the income statement as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment as prescribed in Schedule II to the Companies Act, 2013. Leased assets are depreciated over the shorter of the lease term and their useful lives. The depreciation expense is included in the costs of the functions using the asset. Land is not depreciated.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, is capitalized as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognized as expense as incurred. The capitalized costs are amortized over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3.9 Inventories

Inventories are valued as under:

- Land earmarked for property development is valued at cost. Cost includes land acquisition cost, registration charges and stamp duty.
- Constructed properties includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the company.
- Stock of food and beverages are carried at cost and net realizable value, whichever is lower. Cost is determined on the "weighted average" method.

3.10 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.11 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

3.12 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.13 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.14 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Non-derivative financial instruments

- Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held with a business model whose objective to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further in cases where the Company had made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

- Investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost in the separate financial statements.

- Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

- Fixed Assets:** Freehold land and buildings (properties) were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of carrying cost (cost model) on 31 March 2015. The company has elected to regard those carrying costs of property as deemed cost at the date of transition. Accordingly, the Company has not revalued the property at 1 April 2015.

Investments in associates and subsidiaries: The Company has elected to continue with the carrying value of its investments in subsidiary companies and associate companies as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Investment in equity instruments of subsidiary and associate companies

During the year, the Company assessed the investment in equity instrument of subsidiary and associate companies carried at cost for impairment testing. These companies are expected to generate positive cash flows in the future years. Detailed analysis has been carried out on the future projections and the Company is confident that the investments do not require any impairment.

6 Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and fixtures	Computers	Vehicles	Total
Cost							
At March 31, 2016	430.85	11,605.97	2,114.87	95.64	7.51	170.01	14,424.85
Additions	-	48.60	20.79	9.07	0.61	10.77	89.84
Adjustments	-	11.64					11.64
At March 31, 2017	430.85	11,642.93	2,135.66	104.71	8.12	180.78	14,503.05
Additions			11.49	1.82	1.01		14.32
Adjustments		24.97					24.97
At March 31, 2018	430.85	11,617.96	2,147.15	106.53	9.13	180.78	14,492.40
Accumulated depreciation							
At March 31, 2016	-	173.57	347.89	22.16	4.48	53.56	601.66
Charge for the year	-	186.80	321.05	18.68	1.05	23.59	551.17
Less: Adjustments	-	2.79					2.79
At March 31, 2017	-	357.58	668.94	40.84	5.53	77.15	1,150.04
Charge for the year		190.69	259.43	17.57	1.37	21.30	490.36
Less: Adjustments		6.53					6.53
At March 31, 2018	-	541.74	928.37	58.41	6.90	98.45	1,633.87
Carrying amount							
At March 31, 2016	430.85	11,432.40	1,766.98	73.48	3.03	116.45	13,823.19
At March 31, 2017	430.85	11,285.35	1,466.72	63.87	2.59	103.63	13,353.02
At March 31, 2018	430.85	11,076.22	1,218.78	48.12	2.23	82.33	12,858.54

Note

- Capitalised borrowing costs
The amount of borrowing costs capitalised during the year ended March 31, 2018 was INR Nil (March 31, 2017 - INR Nil).
- Charge on Property, plant and equipment
Property, plant and equipment with a carrying amount of INR 189.15 lakhs (March 31, 2017 - INR 217.15) lakhs and Vehicles with a carrying amount of INR 30.81 lakhs (March 31, 2017 - INR 52.67 lakhs) are subject to a first charge to secure the Company's bank loans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	Computer softwares	Total
7	Intangible assets		
	Cost		
	At March 31, 2016	0.92	0.92
	At March 31, 2017	0.92	0.92
	Additions	1.58	1.58
	At March 31, 2018	2.50	2.50
	Accumulated depreciation		
	At March 31, 2016	0.01	0.01
	Depreciation expense	0.01	0.01
	At March 31, 2017	0.01	0.01
	Depreciation expense	0.01	0.01
	At March 31, 2018	0.03	0.03
	Carrying amount		
	At March 31, 2016	0.91	0.91
	At March 31, 2017	0.91	0.91
	At March 31, 2018	2.47	2.47
	Particulars	31 March 2018	31 March 2017
8	Investments		
	Non-current investments		
	Investments carried at cost		
	Unquoted equity shares		
	<i>Investments in subsidiaries</i>		
	5,000 (March 31, 2017: 5,000) equity shares of face value Rs. 1,000 each fully paid up in Prajay Retail Properties Private Limited	1,100.00	1,100.00
	999,900 (March 31, 2017: 999,900) equity shares of face value Rs. 10 each fully paid up in Prajay Holdings Private Limited	99.99	99.99
	<i>Investments in associates</i>		
	64,597 (March 31, 2017: 64,597) equity shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	6.46	6.46
	10,000 (March 31, 2017: 10,000) equity shares of face value USD 1 each fully paid up in Genesis Capital Private Limited, Mauritius	5.18	5.18
	Unquoted preference instruments		
	<i>Investment in subsidiary</i>		
	64,438,944 (March 31, 2017: 64,438,944) optionally convertible preference shares of face value Rs. 10 each fully paid up in Prajay Holdings Private Limited	6,443.89	6,443.89
	<i>Investment in associate</i>		
	40,130 (March 31, 2017: 40,130) optionally convertible preference shares of face value Rs. 10,000 each fully paid up in Prajay Properties Private Limited	4,013.00	4,013.00
	<i>Investment in the capital of partnership firm</i>		
	50% (March 31, 2017: 50%) share in the profits of Prajay Binjusaria Estates	1,650.50	1,650.50
	Total investments carried at cost	13,319.02	13,319.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017
Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)		
Quoted equity shares		
9,500 (March 31, 2017:9500) equity shares of face value Rs.10 each, fully paid up in Indian Overseas Bank	1.66	2.53
Total investments carried at fair value through other comprehensive income	1.66	2.53
Investments in term deposit accounts (original maturity more than 12 months)		
Term deposits with Indian Overseas Bank @	19.57	17.85
Total other investments	19.57	17.85
Total investments	13,340.25	13,339.40
Note: @ Includes against Bank Gurantees INR Nil (31.03.2017: INR 40.55 lakhs); includes INR nil (31.03.2017 : INR nil) with more than 12 month maturity.		
Current investments		
Investments in term deposit accounts (original maturity more than 3 months and less than 12 months)		
Term deposits with Indian Overseas Bank	3.28	3.28
Total other investments	3.28	3.28
Category-wise investments		
Investment in equity instruments	1,213.29	1,214.16
Investment in preference shares	10,456.89	10,456.89
Investment in capital of partnership firm	1,650.50	1,650.50
Investment in term deposit accounts with original maturity more than 3 months	22.85	21.13
Other disclosures		
Investment in subsidiaries	7,643.88	7,643.88
Investment in associates	4,024.64	4,024.64
Investment in capital of partnership firm	1,650.50	1,650.50
9 Loans (Unsecured, considered good unless otherwise stated)		
Non-current		
Security deposits	74.45	75.85
	74.45	75.85
Current		
Security deposits (a)	544.56	544.44
Other loans and advances (b)	208.93	182.84
	753.49	727.28

Note:(a) includes deposit to Director INR Nil (31.03.2017 : INR 500.00 lakhs)

(b) includes INR 4.83 lakhs (31.03.2017 : INR 128.48 lakhs) to Private Companies having Common Director.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
10	Other assets		
	Non-current assets		
	<i>Unsecured, considered good</i>		
	Advances for Purchase of Land / development (a)	4,875.48	5,405.13
	Capital advances	46.08	42.40
	<i>Unsecured, considered doubtful</i>		
	Advances for Purchase of Land / development	700.00	700.00
		5,621.56	6,147.53
	Less: Provision against advances for Purchase of Land / development	700.00	700.00
		4,921.56	5,447.53
	Current assets		
	<i>Unsecured, considered good</i>		
	Prepaid expenses	25.87	28.75
	Advances for material and works	2,018.77	2,078.42
		2,044.64	2,107.17
	Note: (a) 1. includes advance to Partnership firm in which the company is partner INR 89.96 lakhs (31.03.2017 : INR 89.96 lakhs)		
	2. includes advance to Private Companies in which any director is director INR Nil (31.03.17: INR 1,981.84 lakhs)		
	3. includes advance to Director INR Nil (31.03.2017 : INR 50.00 lakhs)		
11	Inventories		
	Land at Cost	14,215.15	14,193.15
	Land and construction work in progress - at cost	24,357.13	22,349.04
	Food and Beverages - at cost	24.26	11.93
		38,596.54	36,554.12
12	Trade receivables		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	19,812.54	19,748.37
	Doubtful	1,246.96	1,246.96
		21,059.50	20,995.33
	Provision for doubtful receivables	1,246.96	1,246.96
		19,812.54	19,748.37
	Other receivables		
	Unsecured, considered good	52.32	243.62
	Total Trade receivables	19,864.86	19,991.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
13	Cash and bank balances		
	Balances with banks:		
	- On current accounts	409.55	399.70
	Cash on hand	18.86	5.46
	Cash and cash equivalents	428.41	405.16
14	Share Capital		
	Authorised Share Capital		
	250,000,000 (March 31, 2017: 250,000,000) equity shares of Rs.10 each	25,000.00	25,000.00
	Issued equity capital		
	70,267,291 (March 31, 2017: 70,267,291) equity shares of Rs.10 each	7,026.72	7,026.72
	Subscribed and fully paid-up		
	69,935,791 (March 31, 2017: 69,935,791) equity shares of Rs.10/- each fully paid-up	6,993.58	6,993.58
		6,993.58	6,993.58

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2018		31 March 2017	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	69,935,791	6,993.58	69,935,791	6,993.58
Issued during the year	-	-	-	-
Outstanding at the end of the year	69,935,791	6,993.58	69,935,791	6,993.58

Of the above:

2,972,787 shares have been allotted pursuant to a contract without payment being received in cash.

(b) Terms / rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2018		31 March 2017	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
- D.Vijay Sen Reddy	12,315,183	17.61	12,315,183	17.61
- D.Hymavathi Reddy	8,237,618	11.78	8,237,618	11.78

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
15	Other equity		
	Capital reserves		
	Opening balance	475.80	475.80
	Add: Additions during the year	-	-
	Closing balance	475.80	475.80
	Share premium		
	Opening balance	40,762.16	40,762.16
	Add: Premium on fresh issue	-	-
	Closing balance	40,762.16	40,762.16
	General reserve		
	Opening balance	1,999.08	1,999.08
	Add: Amount transferred from retained earnings	-	-
	Closing balance	1,999.08	1,999.08
	Retained earnings		
	Opening balance	10,546.40	12,696.76
	Profit/(loss) for the year	(1,947.58)	(2,127.79)
	Other comprehensive income	(0.70)	(22.57)
	Less: Transfers to general reserve	-	-
	Closing balance	8,598.12	10,546.40
	Total other equity	51,835.16	53,783.44

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
16	Borrowings		
	Non-current Borrowings		
	Secured loans		
	Term Loans from Banks		
	SBI consortium	-	346.31
	[Secured by way of first joint mortgage/charge on the entire project assets of Princeton Towers, second charge on the current assets of the Princeton Towers project and personal guarantees of some of the directors & repayable in 28 quarterly installments]		
	Indian Overseas Bank	-	19.20
	[Secured by way of assignment of the receivables of the Gulmohar Project and value of unsold stock/debt of projects Prajay Enclave, Prajay Windsor Park and Prajay Harbour City & repayable in 20 quarterly installments of Rs.37.50 per quarter w.e.f. December 2013]		
	Liquirent loan from Indian Overseas Bank	470.15	528.25
	(Liquirent loan with a prime security of assignment of rent receivable for a period of 9 years commencing from March,2013)		
	Equipment / Auto Loans	1.17	47.15
	(Secured by hypothecation of vehicles and equipments acquired out of the said loan.		
	The loans are repayable in 36 equated monthly instalments, except for one Loan in 60 equated monthly installments)		
	Loans from related parties - Prajay Properties Private Limited	1,553.25	1,362.50
	(Secured by Mortgage of 49,869 Sft of office premises at Begumpet, land admeasuring Ac 11 Gts 33 in Sy. No.1222 at Shamirpet and land admeasuring 5168 Sq.Yds in Sy.Nos 1211 to 1217 and 1226 at Shamirpet village along with the personal guarantee of some of the Directors.		
	The loan is repayable on the expiry of 72 months from the date of obtaining all statutory approvals for Prajay Megapolis project, which has not crystallised as on 31-3-18)		
	Total non-current borrowings	2,024.57	2,303.40
	Current Borrowings		
	Secured loans from		
	Life Insurance Corporation	42.49	42.49
	(Secured against the Keyman Insurance Policy)		
	Emami Realty Limited	200.00	200.00
	(Secured against mortgage of 4 villas at Celebrity Villas)		
	Deposits		
	Unclaimed public deposits	1.39	1.39
	Other deposits	70.00	70.00
	Unsecured loans from related parties*	4,190.85	3,054.14
	Total current Borrowings	4,504.73	3,368.02

Note: * includes from subsidiaries

a) Prajay Retail Properties Pvt.Ltd. INR 837.36 lakhs (31.03.2017: INR 773.18 lakhs)

b) Prajay Holdings Pvt.Lts. INR 1525.23 lakhs (31.03.2017: INR 1461.29 lakhs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
17	Deferred tax liabilities		
	Difference in WDV of PPE as per books and WDV as per Income tax Act	1,023.55	814.24
	Deferred tax for opening Ind AS adjustments	350.88	414.53
	Deferred tax for period Ind AS adjustments	(37.04)	(63.65)
		1,337.39	1,165.12
18	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Others	21,786.24	21,535.29
		21,786.24	21,535.29
19	Other financial liabilities		
	Current		
	Current maturities of non-current borrowings	9,477.55	10,693.72
	Interest accrued and due on borrowings	14,412.84	10,691.68
		23,890.39	21,385.40
20	Other current liabilities		
	Advance from Customers	4,397.21	3,285.06
		4,397.21	3,285.06
21	Revenue from operations		
	Construction division		
	(a) Sale of Constructed Properties	259.78	567.92
	(b) Revenue from Construction Contracts	2,237.20	3,517.80
	(c) Sale of Land	140.89	119.38
	Hospitality division		
	(a) Sale of Rooms	285.31	342.85
	(b) Food and Beverages	557.89	393.76
	(c) Others	2.71	91.89
	(d) Membership Fees	178.38	191.03
		3,662.16	5,224.63
22	Other income		
	Interest income		
	On fixed deposits	7.18	1.74
	Others	3.45	3.31
	Other operating revenues-Rental Income	308.03	256.62
	Miscellaneous income	133.62	187.73
		452.28	449.40

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
23	Cost of sales		
a.	Raw material and components consumed and development / construction costs:		
	Inventory at the beginning of the year:		
	- Land	14,193.15	14,193.15
	- Constructed Properties	22,349.04	22,025.01
		36,542.19	36,218.16
	Add: Purchases and development / construction costs	4,223.43	3,927.44
	Less: inventory at the end of the year :		
	- Land	14,215.15	14,193.15
	- Constructed Properties	24,357.13	22,349.04
	Sub total	38,572.28	36,542.19
	Cost of raw material and components consumed and development / construction costs incurred:		
	- Construction Contracts	1,945.39	3,059.04
	- Development /Construction Costs	247.95	544.37
		2,193.34	3,603.41
b.	Direct Cost of Hotels & Resorts		
	Inventory at the beginning of the year	11.93	11.11
	Add: Purchases	326.25	306.77
	Less: inventory at the end of the year	24.26	11.93
	Cost of food & others	313.92	305.95
	Other Direct Expenditure	159.07	166.43
		472.99	472.38
24	Employee benefits expense		
	Salaries, wages and bonus	502.79	815.08
	Contribution to provident and other funds	17.81	14.39
	Staff welfare expenses	6.06	7.33
		526.66	836.80
	Less: Allocated to Projects	104.36	270.63
		422.30	566.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
25	Depreciation and amortisation expense		
	Depreciation of tangible assets	490.36	551.16
	Amortization of intangible assets	0.01	0.01
		490.37	551.17
26	Finance costs		
	Interest on long term borrowings	5,457.63	4,696.31
	Unwinding of interest on liabilities discounted	194.37	174.51
	Finance charges payable under finance leases and hire purchase contracts	12.64	22.70
	Bank Charges	11.48	10.98
		5,676.12	4,904.50
	Less:Allocated to Projects	3,820.26	3,312.79
		1,855.86	1,591.71
27	Other expenses		
	Advertisements	12.53	95.97
	Legal and professional (a)	126.19	65.04
	Power and fuel	213.47	245.89
	Repairs and maintenance		
	Buildings	3.29	47.98
	Plant and machinery	8.39	9.82
	Others	40.69	64.32
	Insurance	26.95	28.00
	Travel and conveyance	20.39	13.05
	Rent (b)	31.77	41.72
	Rates and taxes	152.41	125.15
	Auditors' remuneration	13.90	16.64
	Commission	10.94	-
	Other general expenses	178.59	236.10
		839.51	989.67
	Less:Allocated to Projects	110.99	180.69
		728.52	808.98

Note: a) includes professional charges paid to directors INR 32.40 lakhs
(31.03.2017 : INR Nil)

b) includes rent paid to Director INR Nil (31.03.2017: INR 40.06 lakhs)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

28. Related party transactions

A. The following table provides the name of the related party and the nature of its relationship with the Company:

	Name of the Party	Relationship	
(a)	Prajay Holdings Private Limited	Direct Subsidiary	
	Prajay Retail Properties Private Ltd	Direct Subsidiary	
	Prajay Developers Private Limited	Subsidiary of Prajay Holdings Private Limited	
	Prajay Binjusaria Estates	Associate	
	Prajay Properties Private Limited	Associate	
	Genesis Capital Private Limited (Mauritius)	Associate	
(b)	Other Related Parties	Designation	Relatives (Relation)*
	Mr. D.Rohit Reddy	Managing Director	Mr. Vijay Sen Reddy (Father) Ms.D.Sarojini Reddy (Sister)
	Mr. K. Ravi Kumar	Whole time Director	
	Mr. Sumit Sen	Whole time Director	Mrs. Rina Sen (Wife)

*Relatives of key management personnel with whom there were transactions during the year

(c) Other entities under the control of key management personnel and their relatives

Prajay Financial Services Limited	Prajay Chit Funds Private Limited
Prajay Lifestyle UPVC Windows Private Limited	Secunderabad Golf and Leisure Resorts Private Limited
Prajay Princeton Hotel Private Limited	Prajay Princeton Developers Private Limited
Prajay Velocity Developers Private Limited	Prajay Land Capital Private Limited
VijMohan Constructions Private Limited	Umbrella Water proofing
Design Experiment	

(d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

28.B The following transactions were carried out with related parties in the ordinary course of business

Description	Name of the Related Party	Subsidiaries / Step Down Subsidiaries		Enterprises over which Key Management Personnel is able to exercise significant influence		Key Management Personnel (KMP) and their relatives		Maximum amount of Loans/ Advances outstanding during the year	
		31.3.2018	31.3.2017	31.3.2018	31.3.2017	31.3.2018	31.3.2017	31.3.2018	31.3.2017
Debit balances outstanding	Prajay Properties Private Limited			2,237.20	3,517.80		-		
	Umbrella Water Proofing	-		24.57	24.34		-		
	Remuneration paid			-	-	(62.87)	67.58		
	Rent paid			-	-	24.00	40.07		
	Professional Charges Paid					60.13	-		
	Advances Given	0.33		31.43	65.05	-	-		
	Repayment of Advances								
	Taken	230.57	480.40	1,039.16	916.34	-	-		
	Repayment of Advances given			553.06	196.97				
	Advances Taken	357.89	484.38	2,787.23	2,801.59	-	-		
Balance at the end of the year									
Debit balances outstanding	Prajay Developers Private Limited	4.07	3.74					4.07	3.74
	Prajay Land Capital Private Limited			0.76	0.55			0.76	0.55
	Secunderabad Golf and Leisure Resorts Private Limited			1,438.19	1,436.51			1,438.19	1,436.51
	Prajay Velocity Developers Private Limited				545.33			551.45	545.33
	Prajay Lifestyle UPVC Windows Private Limited			121.61	121.61			121.65	121.61
	Prajay Princeton Developers Pvt. Ltd			-	0.36			0.36	0.41
	Prajay Princeton Hotels Pvt. Ltd			-	0.35			0.35	0.41
	Prajay Binjuseria Estates			89.97	89.97			89.97	89.97
	Umbrella Water Proofing			12.59	14.64			22.58	21.62
	Key Management Personnel					550.00	550.00	550.00	550.00
Credit balances outstanding	Prajay Properties Private Limited			3200.00	3,200.00				
	Prajay Holdings Private Limited	1525.23	1461.29						
	Prajay Properties Private Limited			1869.20	3,260.57				
	Prajay Financial Services Limited			75.47	76.07				
	Prajay Retail Properties Private Ltd	837.37	773.18						
	Prajay Kamanwala Developers			2.50	2.50				
	Prajay Velocity Developers Private Limited			901.41	-				
	VijMohan Constructions Private Limited			0.11	0.11				
	Design Experiment			46.80	45.37				
	Key Management Personnel/relatives					884.34	794.67		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

29. Segment information

The senior management of the Company monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Company has identified following as its reportable segment for the purpose of Ind AS 108:

- a) Real estate segment;
- b) Hotels and resorts segment.

Real Estate segment (RE) is into development, sale, management and operation of all or any part of Town ships, housing projects, also includes leasing of self owned commercial premises.

Hotels and Resorts Segment (HR) is into upkeep and maintenance of Hotels, Restaurants and Resorts.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

The following table's present revenue and profit information for the Company's operating segments for the year ended March 31, 2018 and March 31, 2017 respectively.

29.C Segment Reporting

Business Segment	2017-18				2016-17			
	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total
Segment Revenue								
External	2,637.87	1,024.29	452.28	4,114.44	4,205.11	1,019.52	449.40	5,674.03
Total Revenue	2,637.87	1,024.29	452.28	4,114.44	4,205.11	1,019.52	449.40	5,674.03
Segment Result	(449.35)	(80.05)		(529.40)	(641.15)	(7.73)		(648.88)
Unallocated Corporate expenses net of unallocated income				(325.69)				(315.77)
Operating Profit				(203.71)				(333.11)
Interest Expense				1,855.86				1,591.71
Prior Period Adjustments				179.90				-
Interest Income				10.63				5.04
Dividend Income				-				-
Profit before Taxation				(1,869.04)				(1,919.78)
Income Tax				-				-
Prior period Tax				(93.73)				-
Deferred Tax				172.27				208.01
Net Profit				(1,947.58)				(2,127.79)
Other Information								
	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total
Segment Assets	77,990.88	25,148.07	13,878.22	117,017.17	76,949.74	23,256.80	14,329.64	114,536.18
Total Assets	77,990.88	25,148.07	13,878.22	117,017.17	76,949.74	23,256.80	14,329.64	114,536.18
Segment Liabilities	49,840.05	233.80	1,486.50	51,560.34	45,981.85	223.90	1,798.34	48,004.09
Total Liabilities	49,840.05	233.80	1,486.50	51,560.34	45,981.85	223.90	1,798.34	48,004.09
Capital Expenditure	1.93	13.96	-	15.89	20.37	69.47	-	89.84
Depreciation	431.46	58.91		490.37	460.10	91.08		551.17
Non Cash expense other than depreciation	-			-	-			-

Notes:

1 Segments have been identified in accordance with Ind AS 108 on Segment Reporting, concerning the returns/risk profiles of the business.

The company has identified business segments as mentioned below as primary segments for disclosure.

(a) Construction and Development of Property.

(b) Hospitality - Hotels & Resorts.

2 As the operations of the company are only in India, there is no reportable geographical segment.

3 Unallocated corporate expenditure includes common service expenses.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

30. Gratuity

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

31. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2018	31 March 2017
Profit/(Loss) after tax attributable to shareholders in INR Lakhs	(1948.28)	(2150.36)
Weighted average number of equity shares of INR 10 each outstanding during the period used in calculating basic and diluted EPS	69,935,791	69,935,791
Earnings per Share (Basic & Diluted)	(2.79)	(3.07)

32. As stated in Note 3.1(ii) for recognizing profit on projects, stage of completion is determined as a proportion that project costs incurred for the work performed bear to the estimated total costs. Further, as stated in that note expected loss on projects is recognized when it is probable that the total project costs will exceed the total project revenue. For this purpose total project costs are ascertained on the basis of project costs incurred and costs to completion of projects on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors. Further, in respect of certain properties where sale agreement has been entered with parties even though money has not been received as per stipulation in the contract, the Company has recognized revenue and debtors as management is confident that it shall be able to realize the sale proceeds.

33. As stated in Note.3.1(iii) the method used to recognize the contract revenue is percentage of completion method measured by survey of work performed. Further, as stated in the note, expected loss on contracts is recognized when it is probable that the total contract cost will exceed the total contract revenue. For this purpose total contract cost is ascertained on the basis of contract cost incurred and cost to completion of contract on progress, which is arrived at by the management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc, which being technical matters have been relied on by auditors.

An amount of Rs.2,237.20 lakhs (31.03.2017 Rs.3,517.80lakhs) is recognized as contract revenue by the company during the current financial year. The cost incurred in respect of the above is Rs. 1,945.39 lakhs (31.03.2017 Rs.3.059.03 lakhs).

34. Commitments and contingencies

a. Leases

Operating lease obligations: The Company has taken equipments and motor vehicles under Equipment /Auto Loan arrangements for which the legal ownership will be transferred to the company at the end of the Loan period as per the agreement. The Company has paid INR 82.38 lakhs (March 31, 2017 INR 71.20 lakhs) during the year towards minimum lease payments.

Future minimum rentals payable under non-cancellable operating lease are as follows:

Particulars	31 March 2018	31 March 2017
Within one year	48.50	69.74
After one year but not more than five years	1.51	47.40
More than five years	nil	nil

b. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account is Nil (March 31, 2017 –Nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

- c. Contingent liabilities (to the extent not provided for).

Particulars	2017-18	2016-17
Guarantees given to banks (on behalf of Prajay Properties Pvt Ltd)	12,130.00	12,130.00
The following disputed liabilities are under appeal :		
Service tax*	1820.62	1820.62
Income Tax	1405.12	791.71
VAT	Nil	Nil

* The company has disputed the liability and replied to the show cause notice, that the short payment of service tax, if any, demanded by the Service Tax Authorities is not maintainable under law.

Further, as per Circular No.108/02/2009-ST, dated 29.01.2009 issued by CBEC, no service tax is payable on the Construction of Complex Service for the impugned period 2006-07 to 2010-11. During the impugned period, the company had deposited with the Service Tax Authorities, whatever service tax collected from the customers. The Company has filed appeal on 08.04.2013 with CESTAT, Bangalore against order dated 04.01.13 of Commissioner of Service Tax. CESTAT has pronounced stay against recovery during the pendency of appeal.

35. Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2018.

36. Value of Import of CIF Basis

Particulars	2017-18	2016-17
Construction related equipment and material -	Nil	Nil

37. Expenditure in Foreign Currency

Particulars	2017-18	2016-17
Investments	Nil	Nil
Others	Nil	Nil

38. Auditors' Remuneration

Particulars	2017-18	2016-17
For services as Auditor	11.20	11.20
For Tax Audit	1.50	1.50
For other Matters	--	0.10
For reimbursement of out of pocket expenses	0.35	1.51
For service tax/GST	1.29	0.86

39. (a) Trade Receivables (Note 12), unsecured considered good, includes Rs.21,059.50 lakhs (31-03-2017: Rs.20,995.33 lakhs), outstanding for more than six months. As a result of economic slowdown and recession in realty sector, the realizations from customers are slow. The company has provided Rs.1246.96 lakhs towards doubtful debts against Trade receivables, unsecured, considered doubtful.
- (b) Non-current assets (Note 10) include advances given to Landlords/ developers towards certain projects amounting to Rs. 5,621.56 lakhs (31-03-2017: Rs. 6,015.13 lakhs) and Short Term Loans and Advances to suppliers, etc amounting to Rs. 2,018.77 lakhs (31-03-2017: Rs. 2,078.42 lakhs) are outstanding. An amount of Rs.700 lakhs is set aside towards provision for advances considered as doubtful.
40. The company has not paid or provided for managerial remuneration during the year. The following directors have returned the remuneration received by them a per the details given below, since the company has not received any approval from the Central Government :

Sl. No	Name of the Director	Designation	Remuneration returned since
1	Mr.D.Vijay Sen Reddy	Managing Director (Upto 14.11.2017)	01.02.2015
2	Mr.K.Ravi Kumar	Whole Time Director	01.02.2014
3	Mr.Sumit Sen	Whole Time Director	01.02.2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

41. Details as required under Schedule III - Part I of the Companies Act, 2013 relating to investment in partnership firm.

- Name of the Partnership Firm - Prajay Binjusaria Estates
- Total Capital of the said Firm is Rs.2055.50 lakhs (31-03-2017 : Rs.2055.50 lakhs)
- Share of each partner in the Profit or Loss

Sl. No.	Name of the Partners	Share (%)
1.	Prajay Engineers Syndicate Limited	50
2.	Binjusaria Developers Private Limited	17
3.	Mr. Arun Kumar Kedia	17
4.	Ms. Seema Kedia	16

42. The Secured Loan of Rs.3,200.00 Lakhs from Prajay Properties Private Limited is continuing as Interest free by virtue of the agreement Dated 6th October, 2009.

Since some of the statutory approvals for Prajay Megapolis project are yet to be obtained, crystallization of loan repayment time schedule has not taken place as on 31.03.18

43. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2018		
INR	+1%	(235.44)
INR	-1%	235.44
March 31, 2017		
INR	+1%	(211.21)
INR	-1%	211.21

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2018 and 2017 is the carrying amounts.

c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2018						
Borrowings	3926.08	2036.08	17845.45	5702.50	--	29510.10
Trade payables	235.31	842.43	3265.00	17443.50	--	21786.24
Year ended March 31, 2017						
Borrowings	7670.75	611.96	12656.26	6010.10	107.75	27056.82
Trade payables	348.52	818.33	3265.00	17103.44	--	21535.29

44. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Board of Directors of the Company seek to maintain a balance between the higher returns that might be possible with higher level of borrowing and advantages by a sound capital position.

The Company monitors capital using a ratio of "Net debt to equity". The Company's net debt to equity ratio is as follows:

Particulars	31 March 2018	31 March 2017
Net debt	30,419.69	27,056.82
Total equity	58,828.74	60,777.02
Net debt to equity ratio	0.52	0.45

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

45. Mrs. D. Hymavathi Reddy, one of the shareholders of the company, has filed a company petition CP No.119/HDB/2018 before the National Company Law Tribunal (NCLT), Hyderabad Bench against the company. The matter is pending before the Hon'ble NCLT and the company has authorised its directors to represent the company before the Hon'ble court and make submissions, in the best interest of the stakeholders of the company.

46. Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D. Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M.No.CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies

Part "A": Subsidiaries

Sl. No.	Particulars	Details		
1.	Name of the subsidiary	Prajay Holdings Private Limited.	Prajay Developers Private Limited.(Step down Subsidiary)	Prajay Retail Properties Private Limited.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2018	31.03.2018	31.03.2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA
4.	Share capital	128.21	2,182.32	50.00
5.	Reserves & surplus	3,250.25	(13.14)	(148.50)
6.	Total assets	19,195.37	2,216.32	983.82
7.	Total Liabilities	17,999.23	47.15	1,082.33
8.	Investments	2,182.32	-	-
9.	Turnover	474.68	-	1.29
10.	Profit before taxation	(36.64)	-	0.45
11.	Provision for taxation	(2.48)	-	0.14
12.	Profit after taxation	(34.16)	-	0.31
13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	78%	-	99.55%

Notes:	
1	Names of subsidiaries which are yet to commence operations Prajay Developers Private Limited. (Step down subsidiary) Prajay Retail Properties Private Limited.
2	Names of subsidiaries which have been liquidated or sold during the year - Nil

Part “B”: Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

Rs.Lakhs

	Name of associates	Prajay Properties Private Limited	Genesis Capital Private Limited Mauritius
1.	Latest audited Balance Sheet Date	31.03.2018	31.03.2015
2.	Shares of Associate/Joint Ventures held by the company on the year end	64,595	10,000
	Amount of Investment in Associates/Joint Venture	Investment in Equity Rs.6.46 lacs and in Preference shares Rs.4013.00 lacs	5.18
	Extend of Holding%	49.49%	50%
3.	Description of how there is significant influence	Group Company	Common Director
4.	Reason why the associate/joint venture is not consolidated	Share holding is less than 51%	Share holding is less than 51%
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	(726.96)	(6.03)
6.	Profit/Loss for the year	(477.73)	(USD 18,311)
	i. Considered in Consolidation	(238.97)	(5.18)
	ii. Not Considered in Consolidation	(238.76)	Loss restricted to Investment

Notes:	
1	Names of associates which are yet to commence operations. Genesis Capital Pvt.Ltd., Mauritius.
2	Names of associates which have been liquidated or sold during the year - Nil

For and on behalf of the board
Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 30.05.2018

D. Rohit Reddy
Managing Director
DIN: 07560450

Independent Auditor's Report

To the Members of

M/S. PRAJAY ENGINEERS SYNDICATE LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **PRAJAY ENGINEERS SYNDICATE LIMITED** ("The Holding Company") and its subsidiaries (The Holding Company and its subsidiaries together referred to as the "Group") and its Associates which comprise the Consolidated Ind AS Balance Sheet as at March 31, 2018, the Consolidated Ind AS Statement of Profit and Loss (including other comprehensive income), Consolidated Ind AS Cash Flow Statement and the Consolidated Ind AS Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated state of affairs (financial position), Loss(Consolidated financial performance including other comprehensive income), Consolidated cash flows of the Group and the changes in equity of Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Respective board of directors of companies include in the group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Board of Directors of the Holding company.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and Presentation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the holding company has in place an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the 'Other Matters' below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Basis of Qualified Opinion

- a) Interest Accrued amounting to Rs.7286.42 Lakhs (Including Rs.1361.60 Lakhs for the Year),on compulsorily convertible debentures (Note 35C) has not been provided for. This constitutes a departure from the Accounting standards.Accordingly,had this interest been provided for and capitalised to inventories as done in earlier periods, Inventories and current Liabilities would have been higher by Rs.5924.82 Lakhs (Including Rs.1361.60 Lakhs for the year).
- b) Included in short term Loans and Advances (Note 35B) is Rs.757.98 Lakhs which are outstanding for a long time. These unsecured advances are unlikely to be recovered and full provision should have been made.Accordingly, had full provision been made, provision for doubtful advances would have increased by Rs.757.98 Lakhs, net profit and Shareholder's Funds would have decreased by Rs.757.98 Lakhs.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated state of affairs (Financial Position) of the Company as at March 31, 2018, and its Loss (Consolidated Financial Performance including other comprehensive income) and its Consolidated Cash Flows and the Consolidated changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs.22361.51 Lakhs As at March 31st 2018, Total revenues of Rs.475.97 Lakhs and Net cash flows amounting to Rs.23.12 Lakhs for the year ended on that date, as considered in the consolidated Ind AS Financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Sec.143 (3 & 11) of the act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

The Consolidated Ind AS Financial statements also include The group's share of Net Loss of Rs.238.97 Lakhs For the year ended 31st March 2018 as considered in financial statements, in respect of associates incorporated in India, which have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on consolidated Ind AS Financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and our in terms of Sub Section 3 & 11 Of 143 of the Act, in so far as it relates to these Associates, is based solely on the Reports of the other Auditors.

Our opinion on the consolidated Ind AS financial statements above, and our Report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Emphasis of matter

We draw attention to the following:

- a) Note 35(a) of the Consolidated Financial Statements, in respect of trade receivable considered good include an amount of Rs.21645.16 Lakhs due from customers which are outstanding for more than six months. We are unable to comment on the realisation of these receivables in the absence of conformation from the concerned parties. An amount of Rs.1246.96 Lakhs is set aside towards provision for trade receivables considered as doubtful.
- b) Note 35(b) of the consolidated financial statements, in respect of Loans & Advances amounting to Rs.5621.56 Lakhs towards purchase of Land/Development towards certain project of long term nature, and an amount of Rs.2018.77 Lakhs given to suppliers, etc outstanding from earlier years. We are unable to comment on the realisation of these advances. An amount of Rs.700 Lakhs is set aside towards provision for Advances considered as doubtful.

Our Opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Section 143(3) of the Act, based on our audit and on the consideration of report another auditor on separate financial statements and the other financial information of the subsidiaries and associates, as noted in the "Other Matter" paragraph, We report, to the extent applicable, that :
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books and the report of the other auditors.
 - c. the Consolidated Ind AS Balance Sheet, the Consolidated Ind AS Statement of Profit and Loss and the Consolidated Ind AS Statement Cash Flow, Consolidated Ind AS Statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of the consolidated financial statements.
 - d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors of Holding Company as on March 31, 2018 taken on record by the Board of Directors of Holding company and the statutory auditors of its subsidiary companies and its associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries, Associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Ind AS financial statements disclose the pending litigations which would impact its consolidated financial position of the group and its associates – Refer Note **34(c)** to the Consolidated Ind AS financial statements;
 - ii. The Group and its associates did not have any material long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and Its Subsidiary companies and Associate Companies Incorporated In India .
 - iv. The disclosure regarding details of specified bank notes held and transacted during 8th November , 2016 to 30th December, 2016 has not been made since the requirement does not pertain to financial year ended 31st March, 2018.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's registration number:001753S

K.Peddabbai

Partner

M. No : 025036

Place : Hyderabad

Date : 30.05.2018

“Annexure A” to the Independent Auditors Report of even dated on the Consolidated Ind AS Financial Statements of PRAJAY ENGINEERS SYNDICATE LIMITED.

Report on Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Ind AS financial statements of the company as of for the year ended 31st March 2018, We have audited the internal financial controls over financial reporting of PRAJAY ENGINEERS SYNDICATE LIMITED (“Holding Company”) and Its Subsidiaries (The Holding company and its Subsidiaries together referred to as the “Group”) and its Associates which are incorporated in India for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding company and its subsidiaries and its Associate Companies which are incorporated in India are responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by Institute of Chartered Accounts of India”. These Responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding company has, in all material respect, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "The Internal control Over Financial Reporting Criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's registration number:001753S

K.Peddabbai

Partner

M. No : 025036

Place : Hyderabad

Date : 30.05.2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
Assets			
Non-current assets			
Property, plant and equipment	6	12,885.60	13,398.14
Capital work-in-progress		23,594.00	21,540.24
Goodwill on Consolidation		1,021.78	1,021.78
Intangible assets	7	2.47	0.91
Financial assets			
Investments	8	5,696.37	5,725.35
Loans	9	80.43	84.53
Other non-current assets	10	4,924.26	5,447.53
		48,204.91	47,218.48
Current assets			
Inventories	11	56,606.37	54,695.02
Financial assets			
Investments	8	14.93	13.73
Trade receivables	12	20,756.29	20,840.76
Cash and bank balances	13	534.07	487.76
Loans	9	1,606.76	1,745.70
Current tax assets, gross		609.59	1,065.18
Other current assets	10	2,044.64	2,107.17
		82,172.65	80,955.32
Total assets		130,377.56	128,173.80
Equity and Liabilities			
Equity			
Equity share capital	14	6,993.58	6,993.58
Other equity	15	52,793.68	55,015.70
Equity attributable to equity holders of the company		59,787.26	62,009.28
Non-Controlling Interest		115.06	122.58
Total equity		59,902.32	62,131.86
Non-current liabilities			
Financial Liabilities			
Borrowings	16	14,390.16	14,668.99
Provision for Gratuity		98.80	83.65
Deferred tax liabilities (net)	17	1,329.81	1,160.02
		15,818.77	15,912.66
Current liabilities			
Financial Liabilities			
Borrowings	16	2,146.22	1,129.81
Trade payables	18	23,457.80	22,026.16
Other financial liabilities	19	23,890.39	22,250.67
Other current liabilities	20	5,012.40	4,088.82
Liabilities for current tax assets		149.66	633.82
Total liabilities		54,656.47	50,129.28
Total equity and liabilities		130,377.56	128,173.80
Summary of significant accounting policies	1 to 5		
The accompanying notes are an integral part of the consolidated financial statements.			

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No.CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	21	4,121.37	6,858.86
Other income	22	469.04	459.12
Total income		4,590.41	7,317.98
Expenses			
Cost of Land, Plots and Constructed Properties	23	2,667.20	5,524.02
Direct Cost Hotels & Resorts	23	472.99	472.38
Employee benefits expense	24	425.70	566.17
Depreciation and amortisation expense	25	507.27	574.70
Finance costs	26	1,861.82	1,592.25
Other expenses	27	741.48	816.77
Total expense		6,676.46	9,546.30
Profit before non-controlling interests/share in profit/(loss) of associates		(2,086.05)	(2,228.32)
Share of Profit / (loss) of associates		(238.97)	35.02
Profit before exceptional items and tax		(2,325.02)	(2,193.30)
Exceptional items		179.90	-
Profit before tax		(2,145.12)	(2,193.30)
Tax expenses			
Current tax		0.14	0.18
Prior Period Tax		(93.73)	-
Deferred tax charge		169.79	203.98
Total tax expense		76.20	204.16
Profit for the year		(2,221.32)	(2,397.46)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities		(0.87)	(0.32)
Re-measurement gains/ (losses) on defined benefit plan		-	(27.56)
Income-tax effect		0.17	5.31
Other comprehensive income for the year, net of tax		(0.70)	(22.57)
Total comprehensive income for the year		(2,222.02)	(2,420.03)
Profit attributable to :			
Owners of the company		(2,213.80)	(2,330.40)
Non Controlling Interest		(7.52)	(67.06)
Profit for the year		(2,221.32)	(2,397.46)
Total Comprehensive Income attributable to:			
Owners of the company		(2,214.50)	(2,352.97)
Non Controlling Interest		(7.52)	(67.06)
Profit for the year		(2,222.02)	(2,420.03)
Earnings per equity share (nominal value of INR 10) in INR			
Basic and Diluted		(3.18)	(3.47)

1 to 5

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No.CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

a. Equity Share Capital	No. of shares	Amount
Equity shares of INR 10 each issued		
At March 31, 2017	70,267,291	7,026.72
At March 31, 2018	70,267,291	7,026.72
Equity shares of INR 10 each subscribed and fully paid-up		
At March 31, 2017	69,935,791	6,993.58
At March 31, 2018	69,935,791	6,993.58

b. Other equity	Reserves and Surplus				
Particulars	Share Premium	Capital Reserve	General reserve	Retained Earnings	Total
At March 31, 2017	42,898.08	1,058.88	1,999.08	9,059.66	55,015.70
Profit for the year				(2,221.32)	(2,221.32)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				(0.87)	(0.87)
Re-measurement gains/ (losses) on defined benefit plans, net of tax				-	-
Income-tax effect				0.17	0.17
Balance as of 31 March 2018	42,898.08	1,058.88	1,999.08	6,837.64	52,793.68

Summary of significant accounting policies 1 to 5

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No.CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Operating activities		
Profit before tax	(2,086.05)	(2,228.32)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	507.25	574.69
Amortisation of intangible assets	0.02	0.01
Finance income (including fair value change in financial instruments)	(11.92)	(5.89)
Finance costs (including fair value change in financial instruments)	1,862.69	1,592.57
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	84.47	1,307.22
(Increase)/ decrease in inventories	(1,960.06)	766.82
(Increase)/ decrease in loans	143.04	1,176.02
(Increase)/ decrease in other assets	585.80	(679.44)
Increase/ (decrease) in trade payables and other financial liabilities	3,170.46	3,665.73
Increase/ (decrease) in provisions	15.15	30.90
Increase/ (decrease) in other non financial liabilities	923.75	(479.91)
	3,234.60	5,720.41
Income tax paid	65.16	(102.09)
Net cash flows from operating activities	3,299.76	5,618.32
Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(2,068.08)	(1,931.80)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	26.91	(27.08)
Interest received (finance income)	11.92	5.88
Net cash flows used in investing activities	(2,029.25)	(1,953.00)
Financing activities		
Proceeds / (repayment) from long term borrowings, net	(278.83)	(2,685.82)
Proceeds / (repayment) from short term borrowings, net	1,016.41	814.44
Interest paid	(1,961.79)	(1,552.89)
Net cash flows from/ (used in) financing activities	(1,224.21)	(3,424.27)
Net increase / (decrease) in cash and cash equivalents	46.30	241.05
Cash and cash equivalents at the beginning of the year (refer note 13)	487.76	246.71
Cash and cash equivalents at the end of the year (refer note 13)	534.06	487.76
Note: Cash & Cash Equivalents INR 31.13 lakhs in Escrow account (31.03.2017 : INR 31.13 lakhs)		
Summary of significant accounting policies 1 to 5		
The accompanying notes are an integral part of the consolidated financial statements.		

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No.CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

1. General information

Prajay Engineers Syndicate Limited (the parent company) is a public company domiciled & incorporated under the provisions of the Companies Act, 1956 on April 19, 1994. The Company together with its subsidiaries, partnership firms and associates (hereinafter collectively referred to as "the Group" or "the Company") is engaged primarily in the business of real estate construction, development and maintaining hospitality projects. The shares of the parent company are listed on two stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

Description of the Group

Subsidiaries, step down subsidiaries and associates of the parent company are listed below:

Name	Relationship	Country of Incorporation	Percentage of ownership interests as at March 31, 2018	Percentage of ownership interests as at March 31, 2017
Prajay Holdings Private Limited (PHPL).	Subsidiary	India	78.00	78.00
Prajay Developers Private Limited (Formerly MVL Trading Company Private Ltd.)	Subsidiary of PHPL	India	100.00	100.00
Prajay Retail Properties Private Limited (Formerly Dillu Cine Enterprises Pvt Ltd)	Subsidiary	India	100.00	100.00
Prajay Properties Private Limited (PPPL).	Associate	India	49.50	49.50
Prajay Land Capital Private Limited.	Associate (Subsidiary of PPPL)	India	99.98	99.98
Genesis Capital Private Limited	Associate	Mauritius	50.00	50.00

2. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules 2015.

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- certain financial assets and liabilities are measured at fair value;
- employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;
- long term borrowings are measured at amortized cost using the effective interest rate method.

2.1 Functional currency

The financial statements are presented in Indian rupees, which is the functional currency of the parent Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

2.2 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

3. Significant accounting policies

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

Associates (equity accounted investees)

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is generally presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The carrying value of the Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

For the purpose of preparing these consolidated financial statements, the accounting policies of associates have been changed where necessary to align them with the policies adopted by the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee.

Loss of Control

Upon loss of control, the Company derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit and loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a FVTOCI or FVTPL financial asset, depending on the level of influence retained.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

3.2 Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from transition date i.e., 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, the excess is recognised in equity as capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the consolidated statement of profit and loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business Combination are expensed as incurred.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity.

3.3 Revenue recognition

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of taxes and applicable trade discounts and allowances.

- (i) Revenue from sale of land / plots is recognized in the financial year in which the agreement to sell is executed, at which time all the following conditions are satisfied:
 - the Company has transferred to the buyer the significant risks and rewards of ownership;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the land sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- (ii) Revenue from constructed properties (excluding service tax/GST) is recognized on the "percentage of completion method". The total sale consideration as per the agreements to sell constructed properties entered is recognized as revenue only when the stage of completion is 20 percent or more when the outcome of the project can be estimated reliably. When it is probable that total costs will exceed the total project revenue the expected loss is recognized immediately. Service tax/GST does not form part of gross revenue.
- (iii) Contract revenue from the construction contracts are recognized on "percentage of completion method measured by survey of work performed" depending on the nature of the contract. The revenue on construction contract is recognized only when the stage of completion is 20 percent or more when the outcome of the contract can be estimated reliably. When it is probable that the total cost exceeds the total contract revenue, the expected loss is recognized immediately.
- (iv) Income from sale of Rooms, Food and Beverages and allied services relating to hotel operations is recognized upon rendering of the service. Income stated is exclusive of amount received towards sales tax/ service tax/GST etc.
- (v) In respect of membership (club) sales, revenue is recognized as under:
 - Life membership, Permanent membership and Time-share membership over a period of 15 years.
 - Long-term membership over a period of 3 years.
 - Health club membership fully in the year of receipt.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Cost of construction

Cost of constructed properties includes cost of land (including land under agreements to purchase), estimated internal development costs, external development charges, constructions costs and development/ construction materials, which is charged to the statement of profit and loss based on the percentage of revenue recognized, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

Cost of Construction Contracts includes estimated construction costs and construction material, which is charged to the statement of profit and loss based on percentage of revenue recognized measured by survey of work performed as per

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accounting policy above, depending on the nature of the contract, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.

Overhead expenses comprising costs other than those directly charged to the jobs are distributed over the various projects on a pro-rata basis having regard to the activity and nature of such projects.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.6 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.8 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.9 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

3.10 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

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When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other (income)/expense, net" in the income statement.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the income statement as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

Depreciation

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment as prescribed in Schedule II to the Companies Act, 2013. Leased assets are depreciated over the shorter of the lease term and their useful lives. The depreciation expense is included in the costs of the functions using the asset. Land is not depreciated.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, is capitalized as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognized as expense as incurred. The capitalized costs are amortized over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

3.11 Inventories

Inventories are valued as under:

- Land earmarked for property development is valued at cost. Cost includes land acquisition cost, registration charges and stamp duty.
- Constructed properties includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the company.
- Stock of food and beverages are carried at cost and net realizable value, whichever is lower. Cost is determined on the "weighted average" method.

3.12 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the income statement if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognized in the income statement, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

3.13 Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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Defined contribution plans

The Company's contributions to defined contribution plans are charged to the income statement as and when the services are received from the employees.

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

3.14 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.15 Contingent liabilities & contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

3.16 Financial instruments

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issues of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

Non-derivative financial instruments

- Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held with a business model whose objective to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held with a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal

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and interest on the principal amount outstanding. Further in cases where the Company had made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

- Investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost in the separate financial statements.

- Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

5. Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

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6 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Computers	Vehicles	Total
Cost							
At April 1, 2016 (Refer note a)	430.85	11,605.97	2,185.04	102.86	7.57	186.21	14,518.50
Additions		48.60	20.79	9.07	0.61	10.77	89.84
Adjustments		11.64					11.64
At March 31, 2017	430.85	11,642.93	2,205.83	111.93	8.18	196.98	14,596.70
Additions			11.49	1.82	1.01	-	14.32
Adjustments		24.97				2.02	26.99
At March 31, 2018	430.85	11,617.96	2,217.32	113.75	9.19	194.96	14,584.03
Accumulated depreciation							
At April 1, 2016	-	173.57	367.85	24.41	4.48	56.36	626.67
Charge for the year		186.80	339.53	20.93	1.05	26.39	574.70
Less: Adjustments		2.79					2.79
At March 31, 2017	-	357.58	707.38	45.34	5.53	82.75	1,198.58
Charge for the year	-	190.68	271.70	19.71	1.37	23.79	507.25
Less: Adjustments		6.54	-	-	-	0.86	7.40
At March 31, 2018	-	541.72	979.08	65.05	6.90	105.68	1,698.43
Carrying amount							
At April 1, 2016	430.85	11,432.40	1,817.19	78.45	3.09	129.85	13,891.84
At March 31, 2017	430.85	11,285.35	1,498.45	66.59	2.65	114.23	13,398.14
At March 31, 2018	430.85	11,076.24	1,238.24	48.70	2.29	89.28	12,885.60

Note

- a) Capitalised borrowing costs
The amount of borrowing costs capitalised during the year ended March 31, 2018 was INR Nil (March 31, 2017 - INR Nil).
- b) Charge on Property, plant and equipment
Property, plant and equipment with a carrying amount of INR 189.15 lakhs (March 31, 2017 - INR 217.15 lakhs) and Vehicles with a carrying amount of INR 30.81 lakhs (March 31, 2017 - INR 52.67 lakhs) are subject to a first charge to secure the Company's bank loans.

	Particulars	Computer softwares	Total
7 Intangible assets			
Cost			
At April 1, 2016 (refer note a)		0.92	0.92
At March 31, 2017		0.92	0.92
Additions		1.58	1.58
At March 31, 2018		2.50	2.50
Accumulated depreciation			
At April 1, 2016		0.01	0.01
Depreciation expense		0.01	0.01
At March 31, 2017		0.01	0.01
Depreciation expense		0.02	0.02
At March 31, 2018		0.03	0.03
Carrying amount			
At April 1, 2016		0.91	0.91
At March 31, 2017		0.91	0.91
At March 31, 2018		2.47	2.47

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	Particulars	31 March 2018	31 March 2017
8	Investments		
	Non-current investments		
	Investments carried at cost		
	Unquoted equity shares		
	<i>Investments in associates</i>		
	64,597 (March 31, 2017: 64,597) equity shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	6.46	6.46
	10,000 (March 31, 2017: 10,000) equity shares of face value USD 1 each fully paid up in Genesis Capital Private Limited, Mauritius	5.18	5.18
	Unquoted preference instruments		
	<i>Investment in associate</i>		
	40,130 (March 31, 2017: 40,130) optionally convertible preference shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	4,013.00	4,013.00
	Investment in the capital of partnership firm		
	50% (March 31, 2017: 50%) share in the profits of Prajay Binjusaria Estates	1,650.50	1,650.50
	Total investments carried at cost	5,675.14	5,675.14
	Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)		
	<i>Quoted equity shares</i>		
	9,500 (March 31, 2017: 9,500) equity shares of face value Rs.10 each, fully paid up in Indian Overseas Bank	1.66	2.53
	Total investments carried at fair value through other comprehensive income	1.66	2.53
	Investments in term deposit accounts (original maturity more than 12 months)		
	Term deposits with Banks @	19.57	47.68
	Total other investments	19.57	47.68
	Total investments	5,696.37	5,725.35
	Note: @ Includes against Bank Gurantees INR Nil (31.03.2017: INR 40.55 lakhs); includes INR nil (31.03.2017 : INR Nil) with more than 12 month maturity.		
	Current investments		
	Investments in term deposit accounts (original maturity more than 3 months and less than 12 months)		
	Term deposits with Indian Overseas Bank	14.93	13.73
	Total other investments	14.93	13.73
	Category-wise investments		
	Investment in equity instruments	13.30	14.17
	Investment in preference shares	4,013.00	4,013.00
	Investment in capital of partnership firm	1,650.50	1,650.50
	Investment in term deposit accounts with original maturity more than 3 months	34.50	61.41
	Other disclosures		
	Investment in associates	4,024.64	4,024.64
	Investment in capital of partnership firm	1,650.50	1,650.50

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	Particulars	31 March 2018	31 March 2017
9	Loans (Unsecured, considered good unless otherwise stated)		
	Non-current		
	Security deposits	80.43	84.53
		80.43	84.53
	Current		
	Security deposits (a)	544.56	541.73
	Other loans and advances (b)	1,062.20	1,203.97
		1,606.76	1,745.70
	Note: (a) includes deposit to Director INR Nil (31.03.2017 : INR 500.00 lakhs)		
	(b) includes INR 4.83 lakhs (31.03.2017 : INR 128.48 lakhs) to Private Companies having Common Director.		
10	Other assets		
	Non-current assets		
	<i>Unsecured, considered good</i>		
	Advances for Purchase of Land / development (a)	4,878.18	5,405.13
	Capital advances	46.08	42.40
	<i>Unsecured, considered doubtful</i>		
	Advances for Purchase of Land / development	700.00	700.00
		5,624.26	6,147.53
	Less: Provision against advances for Purchase of Land / development	700.00	700.00
		4,924.26	5,447.53
	Current assets		
	<i>Unsecured, considered good</i>		
	Prepaid expenses	25.87	28.75
	Advances for material and works	2,018.77	2,078.42
		2,044.64	2,107.17
	Note: (a) 1. includes advance to Partnership firm in which the company is partner INR 89.96 lakhs (31.03.2017 : INR 89.96 lakhs)		
	2. includes advance to Private Companies in which any director is director INR Nil (31.03.17:1981.84 lakhs)		
	3. includes advance to Director INR Nil (31.03.2017 : INR 50.00 lakhs)		
11	Inventories		
	Land at Cost	14,215.15	14,193.15
	Land and construction work in progress - at cost	42,366.96	40,489.95
	Food and Beverages - at cost	24.26	11.93
		56,606.37	54,695.02
12	Trade receivables		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured,considered good	20,398.20	19,982.48
	Doubtful	1,246.96	1,246.96
		21,645.16	21,229.44
	Provision for doubtful receivables	1,246.96	1,246.96
		20,398.20	19,982.48
	Other receivables		
	Unsecured,considered good	358.09	858.28
	Total Trade receivables	20,756.29	20,840.76

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	Particulars	31 March 2018	31 March 2017
13	Cash and bank balances		
	Balances with banks:		
	- On current accounts	509.27	476.13
	Cash on hand	24.80	11.63
	Cash and cash equivalents	534.07	487.76
14	Share Capital		
	Authorised Share Capital		
	250,000,000 (March 31, 2017: 250,000,000) equity shares of Rs.10 each	25,000.00	25,000.00
	Issued equity capital		
	70,267,291 (March 31, 2017: 70,267,291) equity shares of Rs.10 each	7,026.72	7,026.72
	Subscribed and fully paid-up		
	69,935,791 (March 31, 2017: 69,935,791) equity shares of Rs.10/- each fully paid-up	6,993.58	6,993.58
		6,993.58	6,993.58

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2018		31 March 2017	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	69,935,791	6,993.58	69,935,791	6,993.58
Issued during the year	-	-	-	-
Outstanding at the end of the year	69,935,791	6,993.58	69,935,791	6,993.58

Of the above:

2,972,787 shares have been allotted pursuant to a contract without payment being received in cash.

(b) Terms / rights attached to the equity shares

The Company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	31 March 2018		31 March 2017	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
-D.Vijay Sen Reddy	12,315,183	17.61	12,315,183	17.61
- D.Hymavathi Reddy	8,237,618	11.78	8,237,618	11.78

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	Particulars	31 March 2018	31 March 2017
15	Other equity		
	Capital reserves		
	Opening balance	1,058.88	1,058.88
	Add: Additions during the year	-	-
	Closing balance	1,058.88	1,058.88
	Share premium		
	Opening balance	42,898.08	42,898.08
	Add: Premium on fresh issue	-	-
	Closing balance	42,898.08	42,898.08
	General reserve		
	Opening balance	1,999.08	1,999.08
	Add: Amount transferred from retained earnings	-	-
	Closing balance	1,999.08	1,999.08
	Retained earnings		
	Opening balance	9,059.66	11,479.69
	Profit/(loss) for the year	(2,221.32)	(2,397.46)
	Other comprehensive income	(0.70)	(22.57)
	Less: Transfers to general reserve	-	-
	Closing balance	6,837.64	9,059.66
	Total other equity	52,793.68	55,015.70

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
16	Borrowings		
	Non-current Borrowings		
	Secured loans		
	Term loans from Banks		
	SBI consortium	-	346.31
	[Secured by way of first joint mortgage/charge on the entire project assets of Princeton Towers, second charge on the current assets of the Princeton Towers project and personal guarantees of some of the directors & repayable in 28 quarterly installments]		
	Indian Overseas Bank	-	19.20
	[Secured by way of assignment of the receivables of the Gulmohar Project and value of unsold stock/debt of projects Prajay Enclave, Prajay Windsor Park and Prajay Harbour City & repayable in 20 quarterly installments of Rs.37.50 per quarter w.e.f. December 2013]		
	Liquirent loan from Indian Overseas Bank	470.15	528.25
	(Liquirent loan with a prime security of assignment of rent receivable for a period of 9 years commencing from March,2013)		
	Equipment / Auto Loans	1.17	47.15
	(Secured by hypothecation of vehicles and equipments acquired out of the said loan.		
	The loans are repayable in 36 equated monthly instalments, except for one Loan in 60 equated monthly installments)		
	Loans from related parties - Prajay Properties Private Limited	1,553.25	1,362.50
	(Secured by Mortgage of 49,869 Sft of office premises at Begumpet, land admeasuring Ac 11 Gts 33 in Sy. No.1222 at Shamirpet and land admeasuring 5168 Sq.Yds in Sy.Nos 1211 to 1217 and 1226 at Shamirpet village along with the personal guarantee of some of the Directors.		
	The loan is repayable on the expiry of 72 months from the date of obtaining all statutory approvals for Prajay Megapolis project, which has not crystallised as on 31-3-18)		
	Compulsorily Convertible Debentures	12,442.65	12,442.65
	(held by White Stock Limited)		
	1.Compulsorily Convertible Debentures of 716265 nos with face value Rs 1,000 each carry interest rate of 10% p.a issued on 24th October, 2007 and 28th February, 2008 with an option to convert in whole or in part within 8 years from the date of issue of such Debentures into such number of fully paid- up equity shares of the Company which is equal to the conversion price mutually agreed as per applicable laws. If at anytime within 8 years from the date of issue, the subscribers to such debentures do not exercise the right to conversion, the Company shall compulsorily convert such debentures into fully paid up equity shares of the Company at the expiry of 8 years.These Compulsorily Convertible Debentures have been issued under Foreign Direct Investment guidelines as issued by Government of India/RBI from time to time latest vide RBI Circular A.P.(DIR series) Circular No.20 dated December 14,2007 which classifies Compulsorily Convertible Debentures as equity instrument)		
	2.Compulsorily Convertible Debentures of 5,28,000 nos with face value Rs.1000 each carry interest rate of 11% p.a (net of withholding tax) issued on 24th August, 2011 with an option to convert into equity shares of the company at on the date falling on the 8th anniversary of the first completion date.		
	Less: Equity Component of CCD	1,127.06	1,127.06
		11,315.59	11,315.59
	Debenture Application Money	1,050.00	1,050.00
	Total non-current borrowings	14,390.16	14,668.99

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

	Particulars	31 March 2018	31 March 2017
	Current Borrowings		
	Secured loans from		
	Life Insurance Corporation	42.49	42.49
	(Secured against the Keyman Insurance Policy)		
	Emami Realty Limited	200.00	200.00
	(Secured against mortgage of 4 villas at Celebrity Villas)		
	Deposits		
	Unclaimed public deposits	1.39	1.39
	Other deposits	70.00	70.00
	Unsecured loans from related parties	1,832.34	815.93
	Total current Borrowings	2,146.22	1,129.81
17	Deferred tax liabilities		
	Difference in WDV of PPE as per books and WDV as per Income tax Act	1,015.97	814.24
	Deferred tax for opening Ind AS adjustments	350.88	417.32
	Deferred tax for period Ind AS adjustments	(37.04)	(71.54)
		1,329.81	1,160.02
18	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Others	23,457.80	22,026.16
		23,457.80	22,026.16
19	Other financial liabilities		
	Current		
	Current maturities of non-current borrowings	9,477.55	11,558.99
	Interest accrued and due on borrowings	14,412.84	10,691.68
		23,890.39	22,250.67
20	Other current liabilities		
	Advance from Customers	5,012.40	4,088.82
		5,012.40	4,088.82
21	Revenue from operations		
	Construction division		
	(a) Sale of Constructed Properties	718.99	2,202.15
	(b) Revenue from Construction Contracts	2,237.20	3,517.80
	(c) Sale of Land	140.89	119.38
	Hospitality division		
	(a) Sale of Rooms	285.31	342.85
	(b) Food and Beverages	557.89	393.76
	(c) Others	2.71	91.89
	(d) Membership Fees	178.38	191.03
		4,121.37	6,858.86

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017
22 Other income		
Interest income		
On fixed deposits	8.47	2.58
Others	3.45	3.31
Other operating revenues-Rental Income	308.03	256.62
Miscellaneous income	149.09	196.61
	469.04	459.12
23 Cost of sales		
a. Raw material and components consumed and development / construction costs:		
Inventory at the beginning of the year:		
- Land	14,193.15	14,193.15
- Constructed Properties	40,489.95	41,248.73
	54,683.10	55,441.88
Add: Purchases and development / construction costs	4,566.21	4,765.25
Less: inventory at the end of the year :		
- Land	14,215.15	14,193.15
- Constructed Properties	42,366.96	40,489.95
Sub total	56,582.11	54,683.10
Cost of raw material and components consumed and development / construction costs incurred:		
- Construction Contracts	1,945.39	3,059.04
- Development /Construction Costs	721.81	2,464.98
	2,667.20	5,524.02
b. Direct Cost of Hotels & Resorts		
Inventory at the beginning of the year	11.93	11.11
Add: Purchases	326.25	306.77
Less: inventory at the end of the year	24.26	11.93
Cost of food & others	313.92	305.95
Other Direct Expenditure	159.07	166.43
	472.99	472.38
24 Employee benefits expense		
Salaries, wages and bonus	523.47	815.08
Contribution to provident and other funds	19.13	14.39
Staff welfare expenses	7.65	7.33
	550.25	836.80
Less:Allocated to Projects	124.55	270.63
	425.70	566.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	31 March 2018	31 March 2017
25 Depreciation and amortisation expense		
Depreciation of tangible assets	507.25	574.69
Amortization of intangible assets	0.02	0.01
	507.27	574.70
26 Finance costs		
Interest on long term borrowings	5,457.63	4,696.31
Unwinding of interest on liabilities discounted	194.37	174.51
Finance charges payable under finance leases and hire purchase contracts	12.64	22.70
Bank Charges	17.44	11.52
	5,682.08	4,905.04
Less:Allocated to Projects	3,820.26	3,312.79
	1,861.82	1,592.25
27 Other expenses		
Advertisements	12.53	96.12
Legal and professional (a)	127.61	50.45
Power and fuel	245.58	280.58
Repairs and maintenance		
Buildings	3.29	47.98
Plant and machinery	8.42	9.95
Others	44.54	65.23
Insurance	27.48	28.64
Travel and conveyance	22.36	14.97
Rent (b)	31.77	41.72
Rates and taxes	155.57	125.82
Auditors' remuneration	15.28	18.01
Commission on Sales	10.94	-
Other general expenses	179.90	253.72
	885.27	1,033.19
Less:Allocated to Projects	143.79	216.42
	741.48	816.77

Note: a) includes professional charges paid to directors INR 32.40 lakhs (31.03.2017 : INR Nil)

b) includes rent paid to Director INR Nil (31.03.2017: INR 40.06 lakhs)

- 28.** As stated in Note 3.3 (ii) for recognizing profit on projects, stage of completion is determined as a proportion that project costs incurred for the work performed bear to the estimated total costs. Further, as stated in the note expected loss on projects is recognized when it is probable that the total project costs will exceed the total project revenue. For this purpose total project costs are ascertained on the basis of project costs incurred and costs to completion of projects on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors. Further, in respect of certain properties where sale agreement has been entered with parties even though money has not been received as per stipulation in the contract, the Company has recognized revenue and debtors as management is confident that it shall be able to realize the sale proceeds.
- 29.** As stated in Note 3.3 (iii) the method used to recognize the contract revenue is percentage of completion method measured by survey of work performed. Further, as stated in that note expected loss on contracts is recognized when it is probable that the total contract cost will exceed the total contract revenue. For this purpose total contract cost is ascertained on the basis of contract cost incurred and cost to completion of contract on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

30. Inventories of constructed properties include land admeasuring 59 acres 21 guntas at Maheshwaram, Hyderabad, Telangana for which the subsidiary company has received approval vide letter no.1503/HADA/GH/2007 dated 08.10.2008 for development of Group housing layout, subject to certain conditions which include mortgage/charge on certain dwelling units to Hyderabad Metropolitan Development Authority(HMDA).

31. Related party transactions

- A. The following table provides the name of the related party and the nature of its relationship with the Company:

	Name of the Party	Relationship	
(a)	Prajay Holdings Private Limited	Subsidiary	
	Prajay Retail Properties Private Ltd	Subsidiary	
	Prajay Developers Private Limited	Subsidiary of Prajay Holdings Private Limited	
	Prajay Binjusaria Estates	Associate	
	Prajay Properties Private Limited	Associate	
	Genesis Capital Private Limited (Mauritius)	Associate	
(b)	Other Related Parties	Designation	Relatives (Relation)*
	Mr. D.Rohit Reddy	Managing Director	Mr.D.Vijay Sen Reddy (Father) Ms.D.Sarojini Reddy (Sister)
	Mr. K. Ravi Kumar	Whole time Director	
	Mr. Sumit Sen	Whole time Director	Mrs. Rina Sen (Wife)

* Relatives of key management personnel with whom there were transactions during the year

(c) Other entities under the control of key management personnel and their relatives

Prajay Financial Services Limited	Prajay Chit Funds Private Limited
Prajay Lifestyle UPVC Windows Private Limited	Secunderabad Golf and Leisure Resorts Private Limited
Prajay Princeton Hotel Private Limited	Prajay Princeton Developers Private Limited
Prajay Velocity Developers Private Limited	Prajay Land Capital Private Limited
VijMohan Constructions Private Limited	Umbrella Water Proofing
Design Experiment	

(d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

31.B The Following transactions were carried out with related parties in the ordinary course of business:

Description	Name of the Related Party	Enterprises over which Key Management Personnel is able to exercise significant influence		Key Management Personnel (KMP) and their relatives		Maximum amount of Loans/ Advances outstanding during the year	
		31.3.2018	31.3.2017	31.3.2018	31.3.2017	31.3.2018	31.3.2017
Debit balances outstanding	Prajay Properties Private Limited	2,237.20	3,517.80	-	-	-	-
	Umbrella Water Proofing	24.57	24.34	-	-	-	-
	Remuneration paid	-	-	(62.87)	67.58	-	-
	Rent paid	-	-	24.00	40.07	-	-
	Professional Charges Paid	-	-	60.13	-	-	-
	Advances Given	31.43	65.05	-	-	-	-
	Repayment of Advances Taken	1,039.16	916.34	-	-	-	-
	Repayment of Advances given	553.06	196.97	-	-	-	-
	Advances Taken	2,787.23	2,801.59	-	-	-	-
	Balance at the end of the year	0.76	0.55			0.76	0.55
Credit balances outstanding	Prajay Land Capital Private Limited						
	Secunderabad Golf and Leisure Resorts Private Limited	1,438.19	1,436.51			1,438.19	1,436.51
	Prajay Velocity Developers Private Limited		545.33			551.45	545.33
	Prajay Lifestyle UPVC Windows Private Limited	121.61	121.61			121.65	121.61
	Prajay Princeton Developers Pvt. Ltd	-	0.36			0.36	0.41
	Prajay Princeton Hotels Pvt. Ltd	-	0.35			0.35	0.41
	Prajay Binjusaria Estates	89.97	89.97			89.97	89.97
	Umbrella Water Proofing	12.59	14.64			22.58	21.62
	Key Management Personnel			550.00	550.00	550.00	550.00
	Prajay Properties Private Limited	3200.00	3,200.00				
Credit balances outstanding	Prajay Properties Private Limited	1869.20	3,260.57				
	Prajay Financial Services Limited	75.47	76.07				
	Prajay Kamanwala Developers	2.50	2.50				
	Prajay Velocity Developers Private Limited	901.41	-				
	VijMohan Constructions Private Limited	0.11	0.11				
	Design Experiment	46.80	45.37				
	Key Management Personnel/relatives			884.34	794.67		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

32. Segment information

The senior management of the Company monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Company has identified following as its reportable segment for the purpose of Ind AS 108:

- a) Real estate segment;
- b) Hotels and resorts segment.

Real Estate segment (RE) is into development, sale, management and operation of all or any part of townships, housing projects, also includes leasing of self owned commercial premises.

Hotels and Resorts Segment (HR) is into upkeep and maintenance of Hotels, Restaurants and Resorts.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

The following table's present revenue and profit information for the Company's operating segments for the year ended March 31, 2018 and March 31, 2017 respectively.

32.C Segment Reporting

Business Segment	2017-18				2016-17			
	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total
Segment Revenue								
External	3,097.08	1,024.29	469.04	4,590.41	5,839.33	1,019.53	459.12	7,317.98
Total Revenue	3,097.08	1,024.29	469.04	4,590.41	5,839.33	1,019.53	459.12	7,317.98
Segment Result	(479.12)	(80.05)		(559.17)	(953.57)	(7.73)		(961.30)
Unallocated Corporate expenses net of unallocated income				(323.02)				(319.35)
Operating Profit				(236.15)				(641.95)
Interest Expense				1,861.82				1,592.25
Prior Period Adjustments				179.90				-
Interest Income				11.92				5.88
Dividend Income				-				-
Profit before Taxation				(1,906.15)				(2,228.32)
Income Tax				0.14				0.18
Prior period Tax				(93.73)				-
Deferred Tax				169.79				203.98
Other comprehensive income				(0.70)				(22.57)
Non Controlling Interest				(7.52)				(67.06)
Share of Net Profit/(Loss of Associate)				(238.97)				35.02
Net Profit				(2,214.50)				(2,352.97)
Other Information	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total
	Segment Assets	Segment Assets	Segment Assets	Segment Assets	Segment Assets	Segment Assets	Segment Assets	Segment Assets
Segment Assets	97,886.85	25,148.04	7,342.67	130,377.56	97,179.63	23,256.80	7,737.37	128,173.80
Total Assets	97,886.85	25,148.04	7,342.67	130,377.56	97,179.63	23,256.80	7,737.37	128,173.80
Segment Liabilities	52,126.79	233.80	1,479.47	53,840.06	48,141.75	223.90	1,793.84	50,159.49
Total Liabilities	52,126.79	233.80	1,479.47	53,840.06	48,141.75	223.90	1,793.84	50,159.49
Capital Expenditure	1.93	13.97	-	15.90	20.37	69.47	-	89.84
Depreciation	448.36	58.91		507.27	483.62	91.08		574.70
Non Cash expense other than depreciation				-				-

Notes:

- Segments have been identified in accordance with Ind AS 108 on Segment Reporting, concerning the returns/risk profiles of the business.
The company has identified business segments as mentioned below as primary segments for disclosure.
 - Construction and Development of Property.
 - Hospitality - Hotels & Resorts.
- As the operations of the company are only in India, there is no reportable geographical segment.
- Unallocated corporate expenditure includes common service expenses.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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33. Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31 March 2018	31 March 2017
Profit/(Loss) after tax attributable to shareholders in INR Lakhs	(2,222.02)	(2,420.03)
Weighted average number of equity shares of INR 10 each outstanding during the period used in calculating basic and diluted EPS	69,935,791	69,935,791
Earnings per Share (Basic & Diluted)	(3.18)	(3.47)

Note: Dilution in EPS on account of compulsorily convertible debentures has not been considered as the terms of the debenture subscription agreement indicate that the number of equity shares to be issued against each debenture shall be decided within 8 years from the date of issue. The conversion ratio/price, as of the balance sheet date has not been decided.

34. Commitments and contingencies

a. Leases

Operating lease obligations: The Company has taken equipments and motor vehicles under Equipment /Auto Loan arrangements for which the legal ownership will be transferred to the company at the end of the Loan period as per the agreement. The Company has paid INR 82.38 lakhs (March 31, 2017 INR 71.20 lakhs) during the year towards minimum lease payments.

Future minimum rentals payable under non-cancellable operating lease are as follows:

Particulars	31 March 2018	31 March 2017
Within one year	48.50	69.74
After one year but not more than five years	1.51	47.40
More than five years	nil	nil

b. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account is Nil (March 31, 2017 – Nil).

c. Contingent liabilities (to the extent not provided for)

Particulars	31 March 2018	31 March 2017
Guarantees given to banks(on behalf of Prajay Properties Pvt Ltd)	12,130.00	12,130.00
The following disputed liabilities are under appeal by the company:		
Service tax*	1820.62	1820.62
Income tax	1405.12	791.71
VAT	Nil	Nil

* The company has disputed the liability and replied to the show cause notice, that the short payment of service tax, if any, demanded by the service tax authorities is not maintainable in law.

Further, as per circular No.108/02/2009-ST, dated 29.01.2009 issued by CBEC, no service tax is payable on the construction of complex service for the impugned period 2006-07 to 2010-11. During the impugned period, the company deposited with the service tax authorities, whatever service tax collected from the customers. The company has filed appeal on 08.04.2013 with CESTAT, Bangalore, against order dated 04.01.2013 of commissioner of service tax. CESTAT has pronounced stay against recovery during the pendency of appeal.

35. (a) Trade Receivables (Note 12), unsecured considered good, includes Rs.21,645.16 lakhs (31-03- 2017: Rs. 21,229.44 lakhs), outstanding for more than six months. As a result of economic slowdown and recession in realty sector, the realizations from customers are slow. The company has provided Rs.1246.96 lakhs towards doubtful debts against Trade receivables, unsecured, considered doubtful.
- (b) Non-current assets (Note 10) include advances given to Landlords/ developers towards certain projects amounting to Rs. 5,621.56 lakhs (31-03-2017: Rs.6,015.13 lakhs) and Short Term Loans and Advances to suppliers, etc amounting

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to Rs.2,018.77 lakhs (31-03-2017: Rs.2,078.42 lakhs) are outstanding. An amount of Rs.700 lakhs is set aside towards provision for advances considered as doubtful.

- (c) Interest accrues INR 7286.42 lakhs (including INR 1361.60 lakhs for the year), on compulsorily convertible debentures has not been provided for the period 24-11-2012 to 31-03-2018.

36. Based on the information available with the Company and the Group, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2018.
37. The Secured Loan of INR 3200.00 lakhs from Prajay Properties Private Limited is continuing as interest free by virtue of the agreement dated 6th Oct, 2009.

Since some of the statutory approvals for Prajay Megapolis Project are yet to be obtained, crystallization of loan repayment time schedule has not taken place as on 31.03.2018.

38. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors or respective companies reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest

Rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as Follows:

Particulars	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2018		
INR	+1%	(359.10)
INR	-1%	359.10
March 31, 2017		
INR	+1%	(334.87)
INR	-1%	334.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

Financial Instrument and cash deposits:

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counter party.

Counterparty credit limits are reviewed by the Group and respective Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the respective Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counter party's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of consolidated financial position at 31 March 2018 and 2017 is the carrying amounts.

c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2018						
Borrowings	3926.08	2036.07	17845.45	15705.49	--	39513.09
Trade payables	235.31	867.42	3340.00	19015.07	--	23457.80
Year ended March 31, 2017						
Borrowings	7670.75	611.96	12656.26	18375.69	107.75	39422.41
Trade payables	348.52	843.33	3340.00	17494.31	--	22026.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

39. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group Companies. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group and respective Board of Directors of the Company's seek to maintain a balance between the higher returns that might be possible with higher level of borrowing and advantages by a sound capital position.

The Group monitors capital using a ratio of "Net debt to equity". The Group's net debt to equity ratio is as follows:

Particulars	31 March 2018	31 March 2017
Net debt	40,427.21	38,049.47
Total equity	59,902.32	62,131.86
Net debt to equity ratio	0.67	0.61

40. Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the Current year's classification.

41. Mrs. D. Hymavathi Reddy, one of the shareholders of the company, has filed a company petition CP No.119/HDB/2018 before the National Company Law Tribunal (NCLT), Hyderabad Bench against the company. The matter is pending before the Hon'ble NCLT and the company has authorised its directors to represent the company before the Hon'ble court and make submissions, in the best interest of the stakeholders of the company.

As per our report of even date attached
For **Karumanchi & Associates**
Chartered Accountants
ICAI Firm Registration number: 001753S

For and on behalf of the Board of Directors of **Prajay Engineers Syndicate Limited**

K.Peddabbai
Partner
Membership No: 025036

D.Rohit Reddy
Managing Director
DIN: 07560450

Sumit Sen
Whole time Director
DIN: 01028417

Place : Hyderabad
Date : 30.05.2018

P. Bhaskara Rao
Chief Financial Officer
M No.CMA 9445

D. Madhavi Latha
Company Secretary
M No. F7394



Reminder to the Shareholders

To,
Prajay Engineers Syndicate Limited
8-2-293/82/A/1091-A, Road No. 41,
Near Peddamma Temple, Jubilee Hills,
Hyderabad – 500033.

UPDATION OF SHAREHOLDER INFORMATION

I/We request to record the following against our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

**Self attested copy of the document(s) enclosed*

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

**A blank cancelled cheque is enclosed to enable verification of bank details*

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder



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PRAJAY ENGINEERS SYNDICATE LIMITED

CIN: L45200TG1994PLC017384

Regd. Office: 8-2-293/82/A, Plot No. 1091, Road No. 41, Near Peddamma Temple, Jubilee Hills, Hyderabad – 500 033
Phone: (+91-40)66222999 Fax: (+91-40) 66222966 Email:- investorrelations@prajayengineers.com website: www.prajayengineers.com

ATTENDANCE SLIP

24th Annual General Meeting, Saturday the 29th day of September, 2018 at 3.00 P.M.

(To be presented at the entrance)

Regd. Folio/		DP ID*	
Shares held		Client ID	
Name of Share Holder			
Name of Proxy			

I hereby certify that I am registered shareholder/proxy/ representatives of the registered shareholder (s) of Prajay Engineers Syndicate Limited.

I hereby record my presence at the 24th Annual General Meeting to be held on Saturday, the 29th day of September, 2018 at 3.00 P.M. at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad-500016, Telangana.

SIGNATURE OF THE MEMBER / PROXY :

If Member, please sign here

If Proxy, please sign here

Note:

1) To be signed at the time of handing over the slip.

*Members are requested to register their names atleast 15 minutes prior to be commencement of the Meeting.



PRAJAY ENGINEERS SYNDICATE LIMITED

CIN: L45200TG1994PLC017384

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Phone: (+91-40)66222999 Fax: (+91-40) 66222966 Email:- investorrelations@prajayengineers.com website: www.prajayengineers.com

FORM-No-MGT-11

Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No/ Client Id	
DP Id	

I/ We, being the member(s) of _____ shares of the above named company, hereby appoint:

1	Name : _____ Address : _____ E-mail id of failing him : _____ Signature : _____ failing him/her
2	Name : _____ Address : _____ E-mail id of failing him : _____ Signature : _____ failing him/her
3	Name : _____ Address : _____ E-mail id of failing him : _____ Signature : _____ failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and on my/our at the 24th Annual General Meeting of the Company to be held on Saturday, the 29th day of September, 2018 at 3.00 P.M. at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad- 500016, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

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S. No	Resolutions	Vote**	
		For	Against
ORDINARY BUSINESS:			
1	To adopt Audited Financial Statements of the Company – both Standalone and Consolidated for the year ended 31.03.2018.		
2	To re-appoint of Mr. K Ravi Kumar as Director who is liable to retire by rotation.		
3	To ratify of M/s. Karumanchi & Associates as Statutory Auditors till the conclusion of 27th Annual General Meeting and authorise the board to fix their remuneration.		
SPECIAL BUSINESS:			
4.	Regularisation of Appointment of Mr. Dantapalli Rohit Reddy, as Director of the Company.		
5.	To approve the appointment of Mr. Dantapalli Rohit Reddy as Managing Director of the Company.		
6.	Appointment of Mr. Raghavender Reddy Marpadaga, as an Independent Director of the Company.		
7.	Issue of Warrants ("Warrants") Convertible into Equity Shares on Preferential basis.		
8.	Approval for Payment of fees to Non-Executive Directors of the Company.		

Signed this _____ day of _____ 2018

Signature of the Share holder: _____

Signature of the Proxy holder(s)

Note:

Please Affix
Rs. 1/-
Revenue
Stamp

Signature

Notes:

1. The proxy, duly completed in all respects, should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before time fixed for holding the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4.**This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



PRAJAY

PRAJAY ENGINEERS SYNDICATE LIMITED

CIN: L45200TG1994PLC017384

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

Phone: (+91-40)66222999 Fax: (+91-40) 66222966 Email:- investorrelations@prajayengineers.com website: www.prajayengineers.com

FORM-No-MGT-12

Polling Paper

Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21 (1) (c) of the Companies (Management and Administration) Rules, 2014.

Name of the Company	
Registered Address	
Ballot Paper	
Name of the First Named Shareholder	
Postal Address	
Folio No/ Client Id & DP Id	
Class of shares	

I hereby exercise my vote in respect of Ordinary / Special resolutions enumerated to be considered in 24th Annual General Meeting of the Company to be held on Saturday, the 29th day of September, 2018 at 3.00 P.M. at 1-10-63 & 64, 5th Floor , Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad- 500016, Telangana, by recording my assent or dissent to the said resolutions in the following manner:

S.No.	Item No.	No. of Shares held by me	I Assent to the Resolution	I Dissent to the Resolution
1	To adopt Audited Financial Statements of the Company – both Standalone and Consolidated for the year ended 31.03.2018.			
2	To re-appoint of Mr. K Ravi Kumar as Director who is liable to retire by rotation.			
3	To ratify of M/s. Karumanchi & Associates as Statutory Auditors till the conclusion of 27th Annual General Meeting and authorise the board to fix their remuneration.			
4.	Regularisation of Appointment of Mr. Rohit Reddy, as Director of the Company.			
5.	To approve the appointment of Mr. Dantapalli Rohit Reddy as Managing Director of the Company.			
6.	Appointment of Mr. Raghavender Reddy Marpadaga, as an Independent Director of the Company.			
7.	Issue of warrants ("Warrants") Convertible into Equity Shares on Preferential basis.			
8.	Approval for Payment of fees to Non-Executive Directors of the Company.			

Place:

Date:

(Signature of the Shareholder)



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Celebrity
 Villas
 Shamirpet



Prajay
 Princeton
 Towers
 LB Nagar



Princeton
 Banquet hall
 LB Nagar

By Courier / Regd. Post

If undelivered, please return to:

PRAJAY

Prajay Engineers Syndicate Limited

CIN: L45200TG1994PLC017384

Registered Office:

8-2-293/82/A

Plot No. 1091 A, Road No. 41

Near Peddamma Temple, Jubilee Hills,
Hyderabad 500 033.

Phone: +91-40-66222999

Fax: +91-40-66222966