

14<sup>th</sup> June, 2016

The Manager  
Dept. of Corporate Services  
National Stock Exchange of India Limited  
Mumbai - 400051.

Dear Sir / Madam,

Sub.: Submission of Audited Financial Results - reg.  
Ref.: Prajay Engineers Syndicate Limited, Scrip code: PRAENG

Further to our correspondence dated 3.6.2016, we hereby inform you that, upon review and consideration by the audit Committee, the board of directors at their meeting held today, considered and approved the Annual Audited Financial Results (including consolidated Results) for the year ended 31.3.2016 as per the format prescribed under Reg. 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed herewith:

1. Stand alone Audited Financial Results for the quarter and year ended 31.3.2016 and consolidated Audited Financial Results for the year ended 31.3.2016.
2. Statement of Assets and Liabilities (Standalone & Consolidated) for the year ended 31.3.2016.
3. Auditors Report received from M/s. Meenavalli & Associates, Statutory auditors, on the aforesaid Financial Results - Standalone & Consolidated

Kindly take the same on your records.

Thanking you,

Yours truly,  
For Prajay engineers syndicate limited

  
D. Vijay Sen Reddy  
Managing Director

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](http://www.prajayengineers.com)

CIN: L45200TG1994PLC017384

14<sup>th</sup> June, 2016

The Manager  
Dept. of Corporate Services  
Bombay Stock Exchange Limited  
Mumbai - 400001.

Dear Sir / Madam,

Sub.: Declaration under Reg. 33(3) of SEBI (LODR) Regulations, 2015 - reg.  
Ref.: Prajay Engineers Syndicate Limited, Scrip code: 531746

With reference to the captioned subject, we hereby declare that the Statutory Auditors of the company M/s. Meenavalli & Associates, Chartered Accountants, have issued the Audit Report on stand alone and consolidated financial results of the company for the year ended 31.3.2016 with "Unmodified Opinion".

This declaration is submitted as per the provisions of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and vide circular no. CIR/CFD/CMD/56/2016 dated 27.5.2016.

Kindly take the same on your records.

Thanking you,

Yours truly,  
For Prajay Engineers Syndicate Limited

  
D. Vijay Sen Reddy  
Managing Director

## Prajay Engineers Syndicate Limited

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## PRAJAY ENGINEERS SYNDICATE LIMITED

| Annual Audited Standalone & Consolidated Financial Results for the Quarter and Year ended 31st Mar, 2016 |                                                                                               |                                             |                                     |                                                              |                                                            |                                |                               |                                |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|--------------------------------|-------------------------------|--------------------------------|
| (Rs. In Lacs)                                                                                            |                                                                                               |                                             |                                     |                                                              |                                                            |                                |                               |                                |
| Sl.No.                                                                                                   | Particulars                                                                                   | Standalone                                  |                                     |                                                              | Year to date figures for the current year ended 31.03.2016 | Consolidated                   |                               |                                |
|                                                                                                          |                                                                                               | 3 months ended 31-03-2016 (* see note no.2) | Preceding 3 months ended 31-12-2015 | Corresponding 3 months ended 31-03-2015 in the previous year |                                                            | Previous year ended 31-03-2015 | For the year ended 31.03.2016 | Previous year ended 31.03.2015 |
|                                                                                                          |                                                                                               | (Un-audited)                                | (Un-audited)                        | (Un-audited)                                                 | (Audited)                                                  | (Audited)                      | (Audited)                     | (Audited)                      |
| <b>PART I</b>                                                                                            |                                                                                               |                                             |                                     |                                                              |                                                            |                                |                               |                                |
| 1                                                                                                        | Income from operations                                                                        |                                             |                                     |                                                              |                                                            |                                |                               |                                |
| (a)                                                                                                      | Net sales/income from operations                                                              | 1,396.93                                    | 2,318.68                            | 1,615.31                                                     | 7,266.72                                                   | 5,577.79                       | 9,255.53                      | 10,914.89                      |
| (b)                                                                                                      | Other Operating Income                                                                        |                                             |                                     |                                                              |                                                            |                                |                               |                                |
|                                                                                                          | Total Income from operations (Net)                                                            | 1,396.93                                    | 2,318.68                            | 1,615.31                                                     | 7,266.72                                                   | 5,577.79                       | 9,255.53                      | 10,914.89                      |
| 2                                                                                                        | Expenses                                                                                      |                                             |                                     |                                                              |                                                            |                                |                               |                                |
| (a)                                                                                                      | Cost of Land, Plots and Constructed Properties                                                | 927.14                                      | 1,773.41                            | 1,148.11                                                     | 5,336.93                                                   | 3,918.00                       | 7,775.36                      | 9,288.83                       |
| (b)                                                                                                      | Direct Cost Hotels & Resorts                                                                  | 137.27                                      | 110.04                              | 131.45                                                       | 455.34                                                     | 453.76                         | 455.34                        | 453.76                         |
| (c)                                                                                                      | Employee benefits expenses                                                                    | 153.57                                      | 148.05                              | 166.42                                                       | 617.78                                                     | 589.16                         | 617.78                        | 589.16                         |
| (d)                                                                                                      | Depreciation and amortisation expenses                                                        | 151.18                                      | 155.57                              | 178.89                                                       | 616.12                                                     | 608.49                         | 641.12                        | 637.87                         |
| (e)                                                                                                      | Other expenses                                                                                | 97.01                                       | 903.30                              | 1,160.31                                                     | 1,782.07                                                   | 1,867.27                       | 1,791.04                      | 1,907.34                       |
|                                                                                                          | Total Expenses                                                                                | 1,466.17                                    | 3,090.37                            | 2,785.18                                                     | 8,808.24                                                   | 7,436.68                       | 11,280.64                     | 12,876.96                      |
| 3                                                                                                        | Profit/(Loss) from operations before other income, finance costs & exceptional items (1-2)    | (69.24)                                     | (771.69)                            | (1,169.87)                                                   | (1,541.52)                                                 | (1,858.89)                     | (2,025.11)                    | (1,962.07)                     |
| 4                                                                                                        | Other Income                                                                                  | 65.04                                       | 107.88                              | 65.13                                                        | 762.92                                                     | 234.31                         | 766.73                        | 235.15                         |
| 5                                                                                                        | Profit/(Loss) from ordinary activities before finance costs and exceptional items(3+4)        | (4.20)                                      | (663.81)                            | (1,104.74)                                                   | (778.60)                                                   | (1,624.58)                     | (1,258.38)                    | (1,726.92)                     |
| 6                                                                                                        | Finance cost                                                                                  | 306.49                                      | 313.78                              | 285.49                                                       | 1,285.19                                                   | 579.63                         | 1,286.21                      | 591.81                         |
| 7                                                                                                        | Profit/(Loss) from ordinary activities after finance costs but before Exceptional Items (5-6) | (370.69)                                    | (977.59)                            | (1,390.23)                                                   | (2,063.79)                                                 | (2,204.21)                     | (2,544.59)                    | (2,318.73)                     |
| 8                                                                                                        | Exceptional Items (Prior period adjustments)                                                  |                                             |                                     | (162.37)                                                     |                                                            | (163.94)                       |                               | (163.94)                       |
| 9                                                                                                        | Profit/(Loss) from ordinary activities before tax (7+8)                                       | (370.69)                                    | (977.59)                            | (1,552.60)                                                   | (2,063.79)                                                 | (2,368.15)                     | (2,544.59)                    | (2,482.67)                     |
| 10                                                                                                       | Tax expenses (Current Period)                                                                 |                                             |                                     |                                                              |                                                            |                                | 0.03                          | 0.21                           |
|                                                                                                          | Prior period Tax Adjustment                                                                   |                                             |                                     |                                                              |                                                            |                                |                               |                                |
|                                                                                                          | Deferred Tax                                                                                  | 66.71                                       | 66.94                               | 49.29                                                        | 279.84                                                     | (7.97)                         | 275.96                        | (15.63)                        |
| 11                                                                                                       | Net Profit/(Loss) from ordinary activities after tax (9+10)                                   | (437.40)                                    | (1,044.53)                          | (1,601.89)                                                   | (2,343.63)                                                 | (2,360.18)                     | (2,820.58)                    | (2,467.25)                     |
| 12                                                                                                       | Extraordinary items (Net of Tax Expenses)                                                     |                                             |                                     |                                                              |                                                            |                                |                               |                                |
| 13                                                                                                       | Net Profit/(Loss) for the period (11+12)                                                      | (437.40)                                    | (1,044.53)                          | (1,601.89)                                                   | (2,343.63)                                                 | (2,360.18)                     | (2,820.58)                    | (2,467.25)                     |
| 14                                                                                                       | Share of Profit/(Loss) of associates                                                          |                                             |                                     |                                                              |                                                            |                                | (53.65)                       | 23.49                          |
| 15                                                                                                       | Minority Interest                                                                             |                                             |                                     |                                                              |                                                            |                                | (104.95)                      | 25.86                          |
| 16                                                                                                       | Net Profit/(Loss) after taxes, minority interest and Share of Profit/(Loss) of associates     | (437.40)                                    | (1,044.53)                          | (1,601.89)                                                   | (2,343.63)                                                 | (2,360.18)                     | (2,769.28)                    | (2,469.62)                     |
| 17                                                                                                       | Paid-up equity share capital                                                                  | 6,993.58                                    | 6,993.58                            | 6,993.58                                                     | 6,993.58                                                   | 6,993.58                       | 6,993.58                      | 6,993.58                       |
| 18                                                                                                       | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year       |                                             |                                     |                                                              | 54,301.46                                                  | 56,645.07                      | 52,625.39                     | 55,604.60                      |
| 19                                                                                                       | Earnings per share (of Rs.10 each)(not annualised)                                            |                                             |                                     |                                                              |                                                            |                                |                               |                                |
| (a)                                                                                                      | Basic                                                                                         | (0.63)                                      | (1.49)                              | (2.29)                                                       | (3.35)                                                     | (3.37)                         | (3.96)                        | (3.53)                         |
| (b)                                                                                                      | Diluted                                                                                       | (0.63)                                      | (1.49)                              | (2.29)                                                       | (3.35)                                                     | (3.37)                         | (3.96)                        | (3.53)                         |

For Prajay Engineers Syndicate Limited

D. Vijay Sen Reddy  
Managing Director

Place: Hyderabad  
Date : 14.06.2016

## Prajay Engineers Syndicate Limited

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CIN: L45200TG1994PLC017384

| PRAJAY ENGINEERS SYNDICATE LIMITED                                                          |                                                           |                                             |                                     |                                                              |                                                            |                                |                               |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------|-------------------------------------|--------------------------------------------------------------|------------------------------------------------------------|--------------------------------|-------------------------------|
| Segmentwise Revenue, Results and Capital Employed for the Quarter and year ended 31.03.2016 |                                                           |                                             |                                     |                                                              |                                                            |                                |                               |
|                                                                                             |                                                           | (Rs. In Lacs)                               |                                     |                                                              |                                                            |                                |                               |
|                                                                                             |                                                           | Standalone                                  |                                     |                                                              |                                                            | Consolidated                   |                               |
| Sl.No.                                                                                      | Particulars                                               | 3 months ended 31-03-2016 (* see note no.2) | Preceding 3 months ended 31-12-2015 | Corresponding 3 months ended 31-03-2015 in the previous year | Year to date figures for the current year ended 31.03.2016 | Previous year ended 31-03-2015 | For the year ended 31.03.2016 |
|                                                                                             |                                                           | (Un-audited)                                | (Un-audited)                        | (Un-audited)                                                 | (Audited)                                                  | (Audited)                      | (Audited)                     |
| 1                                                                                           | Segment Revenue                                           |                                             |                                     |                                                              |                                                            |                                |                               |
| (a)                                                                                         | Construction and Development                              | 1,129.72                                    | 2,078.54                            | 1,366.35                                                     | 6,300.76                                                   | 4,663.23                       | 8,289.57                      |
| (b)                                                                                         | Hospitality - Hotels and Resorts                          | 267.21                                      | 240.13                              | 248.95                                                       | 965.96                                                     | 914.56                         | 914.56                        |
| (c)                                                                                         | Unallocated Corporate Revenue                             | 65.04                                       | 107.88                              | 65.13                                                        | 762.92                                                     | 234.31                         | 782.67                        |
|                                                                                             | Total                                                     | 1,461.97                                    | 2,426.55                            | 1,680.44                                                     | 8,029.64                                                   | 5,812.10                       | 10,038.20                     |
| 2                                                                                           | Segment Results                                           |                                             |                                     |                                                              |                                                            |                                |                               |
| (a)                                                                                         | Construction and Development                              | (17.80)                                     | (738.60)                            | (1,040.14)                                                   | (1,353.03)                                                 | (1,442.00)                     | (1,834.68)                    |
| (b)                                                                                         | Hospitality Services - Hotels and Resorts                 | (13.95)                                     | (12.21)                             | (79.00)                                                      | (79.06)                                                    | (302.92)                       | (302.92)                      |
|                                                                                             | Total                                                     | (31.75)                                     | (751.01)                            | (1,119.14)                                                   | (1,432.09)                                                 | (1,744.92)                     | (1,817.86)                    |
| 3                                                                                           | Unallocated Expenditure                                   |                                             |                                     |                                                              |                                                            |                                |                               |
| (a)                                                                                         | Interest and Finance Charges                              | 366.49                                      | 313.78                              | 285.49                                                       | 1,285.19                                                   | 579.63                         | 1,286.21                      |
| (b)                                                                                         | Other unallocated expenditure (net of unallocated income) | (27.56)                                     | (87.20)                             | (14.40)                                                      | (653.49)                                                   | (120.34)                       | (655.36)                      |
| 4                                                                                           | Profit before Exceptional Items                           | (370.69)                                    | (977.59)                            | (1,390.23)                                                   | (2,063.79)                                                 | (2,204.21)                     | (2,544.59)                    |
| 5                                                                                           | Exceptional Items (Prior period adjustments)              | -                                           | -                                   | (162.37)                                                     | -                                                          | (163.94)                       | -                             |
| 6                                                                                           | Profit before Taxation                                    | (370.69)                                    | (977.59)                            | (1,552.00)                                                   | (2,063.79)                                                 | (2,368.15)                     | (2,544.59)                    |
| 7                                                                                           | Provision for Taxation                                    | 66.71                                       | 66.95                               | 49.29                                                        | 279.84                                                     | (7.97)                         | 275.99                        |
| 8                                                                                           | Profit after Taxation                                     | (437.40)                                    | (1,044.53)                          | (1,601.89)                                                   | (2,343.63)                                                 | (2,360.18)                     | (2,820.58)                    |
| 9                                                                                           | Capital Employed                                          |                                             |                                     |                                                              |                                                            |                                |                               |
| -                                                                                           | Construction and Development                              | 36,819.46                                   | 37,781.22                           | 42,535.59                                                    | 36,819.46                                                  | 42,535.59                      | 54,204.07                     |
| -                                                                                           | Hospitality - Hotels and Resorts                          | 21,036.02                                   | 20,737.57                           | 19,620.19                                                    | 21,036.02                                                  | 19,620.19                      | 21,050.41                     |
| -                                                                                           | Unallocated                                               | 12,998.62                                   | 13,039.19                           | 13,074.39                                                    | 12,998.62                                                  | 13,074.39                      | 5,408.43                      |

- The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14.06.2016. The statutory auditors have expressed an unqualified opinion.
- The figures for the fourth quarter are the balancing figures between audited figures in respect of full financial year and the published un-audited year to date figures upto third quarter of the current financial year.
- The above financial results are drawn in accordance with the accounting policies consistently adopted by the Company.
- As a result of economic slowdown and continued recessionary tendencies in realty sector, the realisations from customers are very slow. The company has made a provision for trade receivables for Rs.1246.96 lacs.
- Segments have been identified in accordance with Accounting Standard 17 on Segment Reporting, concerning the returns / risk profiles of the business and the company has two such segments as follows:  
(a) Construction and Development of Property  
(b) Hospitality - Hotels and Resorts
- Long term loans and advances include advances given to landlords / developers towards certain projects. Due to long term involvement in such projects, the advances are not completely settled. The company has set aside Rs. 700 lacs towards advances considered doubtful.
- Figures for the previous period / year have been regrouped, wherever considered necessary.
- The financial results of the company shall be available at "www.prajayengineers.com", "www.bseindia.com" and "www.nseindia.com".

For Prajay Engineers Syndicate Limited

  
D. Vijay Sen Reddy  
Managing Director

Place: Hyderabad  
Date : 14.06.2016

## Prajay Engineers Syndicate Limited

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CIN: L45200TG1994PLC017384

**PRAJAY ENGINEERS SYNDICATE LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT 31st March, 2016**

| (Rs. in Lacs) |                                     |                                      |                                      |                                      |                                      |
|---------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Sl.No         | Particulars                         | Standalone                           |                                      | Consolidated                         |                                      |
|               |                                     | As at year ended<br>31st March, 2016 | As at year ended<br>31st March, 2015 | As at year ended<br>31st March, 2016 | As at year ended<br>31st March, 2015 |
|               |                                     | (Audited)                            | (Audited)                            | (Audited)                            | (Audited)                            |
| <b>A</b>      | <b>EQUITY AND LIABILITIES</b>       |                                      |                                      |                                      |                                      |
| 1             | Share holders' funds                |                                      |                                      |                                      |                                      |
| (a)           | Share Capital                       | 6,993.58                             | 6,993.58                             | 6,993.58                             | 6,993.58                             |
| (b)           | Reserves and Surplus                | 54,301.46                            | 56,645.07                            | 52,625.39                            | 55,604.60                            |
|               | Sub-total - Shareholders' funds     | 61,295.04                            | 63,638.65                            | 59,618.97                            | 62,598.18                            |
| 2             | Minority Interest                   |                                      |                                      | 174.24                               | 279.19                               |
| 3             | Non-current Liabilities             |                                      |                                      |                                      |                                      |
| (a)           | Long-term borrowings                | 7,005.12                             | 9,108.32                             | 20,497.77                            | 22,600.97                            |
| (b)           | Deferred tax liability              | 578.31                               | 298.47                               | 577.22                               | 301.26                               |
| (c)           | Long-term provisions                | 52.75                                | 54.60                                | 52.75                                | 54.60                                |
|               | Sub-total - Non-current liabilities | 7,636.18                             | 9,461.39                             | 21,127.74                            | 22,956.83                            |
| 4             | Current Liabilities                 |                                      |                                      |                                      |                                      |
| (a)           | Short-term borrowings               | 2,501.20                             | 2,428.59                             | 319.17                               | 339.67                               |
| (b)           | Trade Payables                      | 23,534.18                            | 24,727.46                            | 23,964.58                            | 25,189.29                            |
| (c)           | Other current liabilities           | 18,659.54                            | 14,414.28                            | 21,144.41                            | 17,310.20                            |
| (d)           | Short-term provisions               | 633.22                               | 633.22                               | 633.63                               | 638.75                               |
|               | Sub-total - Current liabilities     | 45,328.14                            | 42,203.55                            | 46,061.79                            | 43,477.91                            |
|               | <b>TOTAL EQUITY AND LIABILITIES</b> | <b>114,259.36</b>                    | <b>115,303.59</b>                    | <b>126,982.74</b>                    | <b>129,312.11</b>                    |
| <b>B</b>      | <b>ASSETS</b>                       |                                      |                                      |                                      |                                      |
| 1             | Non-current Assets                  |                                      |                                      |                                      |                                      |
| (a)           | Fixed Assets                        | 33,522.38                            | 32,508.24                            | 33,591.04                            | 32,601.90                            |
| (b)           | Non-current Investments             | 13,321.30                            | 13,321.30                            | 5,665.78                             | 5,695.73                             |
| (c)           | Long-term Loans and Advances        | 6,231.34                             | 6,813.70                             | 6,238.01                             | 6,819.01                             |
| (d)           | Goodwill on Consolidation           | -                                    | -                                    | 1,075.70                             | 1,075.70                             |
|               | Sub-total - Non-current Assets      | 53,075.02                            | 52,643.24                            | 46,570.53                            | 46,192.34                            |
| 2             | Current Assets                      |                                      |                                      |                                      |                                      |
| (a)           | Inventories                         | 36,229.27                            | 35,490.19                            | 53,406.34                            | 54,716.65                            |
| (b)           | Trade Receivables                   | 21,511.16                            | 23,584.11                            | 22,147.98                            | 23,764.70                            |
| (c)           | Cash and Cash Equivalents           | 150.41                               | 129.11                               | 274.36                               | 205.21                               |
| (d)           | Short-term Loans and Advances       | 3,293.50                             | 3,456.94                             | 4,583.54                             | 4,433.21                             |
|               | Sub-total - Current Assets          | 61,184.34                            | 62,660.35                            | 80,412.22                            | 83,119.77                            |
|               | <b>TOTAL ASSETS</b>                 | <b>114,259.36</b>                    | <b>115,303.59</b>                    | <b>126,982.75</b>                    | <b>129,312.11</b>                    |

For Prajay Engineers Syndicate Limited

  
D. Vijay Sen Reddy  
Managing Director

Place: Hyderabad  
Date : 14.06.2016

## Prajay Engineers Syndicate Limited

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CIN: L45200TG1994PLC017384



**MEENAVALLI & ASSOCIATES**

Chartered Accountants

pg 6.9/10

**Auditor's Report on standalone quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

Board of Directors of

M/s Prajay Engineers Syndicate Limited

We have audited the quarterly financial results of M/s Prajay Engineers Syndicate Limited (Name of the company) for the quarter ended 31<sup>st</sup> March 2016 (date of the quarter end) and the year to date results for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued there under; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We draw your attention to the following:

- 1) In respect of trade receivables considered good include an amount of Rs.21498.92 Lakhs due from customers which are outstanding for more than six months. We are unable to comment on the realization of these receivables in the absence of confirmation from the concerned parties. An amount of Rs. 1246.96 Lakhs is set aside towards provision for trade receivables considered as doubtful.
- 2) In respect of Loans and advances amounting to Rs.5355.14 Lakhs towards purchase of land/ development towards certain projects of long term nature, and an amount of Rs.1387.86 Lakhs given to suppliers etc. outstanding from earlier years. We are unable to comment on the realization of these advances. An amount of Rs. 700 lakhs is set aside towards provision for advances considered as doubtful.



Contact : meenavalli.ca@gmail.com, mmrao.ca@gmail.com, Tel: 42225125, 9848811125, 9848711125

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**MEENAVALLI & ASSOCIATES**  
Chartered Accountants

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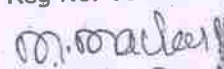
- 3) In respect of recognizing profit on construction project under an agreement to sell, stage of completion is determined as a proportion that contract costs incurred for the work performed bear to the estimated total costs. Similarly contract revenue is recognized under the percentage of completion method measured by survey of work performed. Further, expected loss on contracts is recognized when it is probable that the total contract costs will exceed the total contract revenue. This practice is being consistently followed by the Company. For this purpose, total project/contract costs incurred, and cost to completion of projects/contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies, etc, which being technical matters have been relied upon by us.

Our opinion is not modified in respect of these matters.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net loss and other financial information for the quarter ended 31<sup>st</sup> March, 2016 and the year to date results for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2016.

For Meenavalli & Associates  
Chartered Accountants  
Reg No. 012208S

  
CA. Machar Rao. M.  
Partner  
M.No. 218836



Place: Hyderabad  
Date: 14.06.2016

Contact : meenavalli.ca@gmail.com, mmrao.ca@gmail.com, Tel: 42225125, 9848811125, 9848711125

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**MEENAVALLI & ASSOCIATES**  
Chartered Accountants

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**Auditor's Report on Quarterly Consolidated Financial Results and Year To Date Results of The Company Pursuant to the Regulation 33 Of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.**

To  
Board of Directors of  
M/s Prajay Engineers Syndicate Limited

We have audited the quarterly consolidated financial results of M/s Prajay Engineers Syndicate Limited for the quarter ended 31<sup>st</sup> March, 2016 and the consolidated year to date results for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), mandated under Section 133 of the Companies Act, 2013 read with relevant rules issued there under or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Two (Numbers) subsidiaries included in the consolidated quarterly financial results and consolidated year to date results, whose consolidated interim financial statements reflect total assets of Rs.12723.38 Lakhs as at 31.03.2016 and Rs.12723.38 Lakhs as at the quarter ended 31.03.2016 (date of quarter end); as well as the total revenue of Rs. 1988.81 Lakhs as at 31.03.2016 (year to date) and Rs.497.20 Lakhs as at the quarter ended 31.03.2016(date of quarter end). These interim financial statements and other financial information have been audited by other auditors whose report(s) has (have) been furnished to us, and our opinion on the quarterly financial results and the year to date results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.



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# MEENAVALLI & ASSOCIATES

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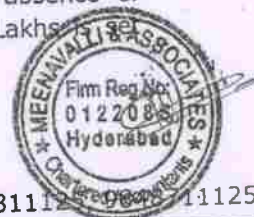
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We draw your attention to the following:

1. An Associate Company has granted loans where the maximum amount involved is Rs. 10898.90 Lakhs and the balance outstanding at the year end is Rs. 8143.12 Lakhs.
2. According to records of the Holding Company, Subsidiary Companies and Associate Companies, they are generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, customs duty, excise duty, value added tax, cess and any other material statutory dues applicable to them. There are no arrears of the aforesaid dues as at 31st March, 2016 outstanding for a period of more than six months from the date they became payable, except service tax and Income tax.
3. According to the records of the Holding Company, Subsidiary Companies and Associate Companies and the information and explanations given to me and the other auditors, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, and cess matters that have not been deposited on account of any dispute, except as given below.

| Particulars | Amount<br>(Rs.lakhs) | Period to which<br>the amount | Forum where the<br>dispute is           |
|-------------|----------------------|-------------------------------|-----------------------------------------|
| Income tax  | 15.45                | 2006-07                       | Income Tax Appellate Tribunal           |
|             | 289.20               | 2009-10                       | Income Tax Appellate Tribunal           |
|             | 841.49               | 2010-11                       | Income Tax Appellate Tribunal           |
|             | 103.75               | 2011-12                       | Commissioner of Income Tax<br>(Appeals) |
| Service tax | 1820.62              | 2006-07 to<br>2010-11         | Customs, Excise and Service<br>Tax      |

4. The Holding company has defaulted in repayment of dues to banks, Principal amounts aggregating Rs. 5816.53 Lakhs are due from December 2012 to March 2016, and interest amounts aggregating Rs. 7328.36 Lakhs are due from April 2013 to March 2016. In respect of debentures, a subsidiary company has defaulted in payment of interest dues aggregating 4563.21 Lakhs, and an associate company has defaulted in payment of interest dues aggregating 3250.55 Lakhs.
5. In respect of trade receivables considered good include an amount of Rs.22147.98 Lakhs due from customers which are outstanding for more than six months. We are unable to comment on the realization of these receivables in the absence of confirmation from the concerned parties. An amount of Rs. 1246.96 Lakhs is set aside towards provision for trade receivables considered as doubtful.



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6. In respect of Loans and advances amounting to Rs.5355.14 Lakhs towards purchase of land/ development towards certain projects of long term nature, and an amount of Rs.1387.86 Lakhs given to suppliers etc outstanding from earlier years. We are unable to comment on the realization of these receivables. 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.

In our opinion and to the best of our information and according to the explanations given to us these consolidated quarterly financial results as well as the consolidated year to date results:

- (i) include the quarterly financial results and year to date of the following entities (list of entities included in consolidation);
1. Prajay Holding Private Limited- Subsidiary
  2. Prajay Retail Properties Private Limited- Subsidiary
  3. Prajay Developers Private Limited- Step Down Subsidiary
  4. Prajay Properties Private Limited- Associates
  5. Genesis Capital Private Limited( Mauritius) - Associates
- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (iii) give a true and fair view of the consolidated net loss and other financial information for the quarter ended 31<sup>st</sup> March,2016 and the consolidated year to date results for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March,2016.

For Meenavalli & Associates  
Chartered Accountants Firm  
Reg No. 012208S

*M. Machar Rao*  
CA. Machar Rao. M  
Partner  
M.No. 218836



Place: Hyderabad  
Date: 14.06.2016.

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