PRAJAY

19th August, 2020

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

Dear Sir / Madam,

Sub: Declaration as required in terms of Regulation 33(3) (d) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the above on behalf of Prajay Engineers Syndicate Limited ("the Company") I, D. Vijaysen Reddy, Managing Director of the Company hereby confirm and declare that the Statutory Auditors of the Company - Karumanchi & Associates (Chartered Accountants) have issued their report on Standalone and Consolidated Audited Financial Results with un-modified opinion for the Quarter and Financial Year Ended 31-03-2020.

This Declaration is issued in compliance with aforesaid Regulation as amended vide its Circular No. CIRJCFD/CMD/56/2016 dated 27th May, 2016.

This is for your information and records.

Thanking you,
Yours Faithfully,
For Prajay Engineers Syndicate Limited

VIJAYSEN REDDY DANTAPALLY
Digitally signed by VIJAYSEN REDDY DANTAPALLY
Date: 2020.08.19 16:09:51 +05'30'

PRAJAY ENGINEERS SYNDICATE LTD

D Vijaysen Reddy
Managing Director
DIN:00291185

KARUMANCHI & ASSOCIATES
CHARTERED ACCOUNTANTS

Flat No. 301, Swarganivas Enclave, 7-1-619/A,
Behind : HUDA Complex, Ameerpet, Hyderabad - 500 038, T.S.
Tel. Off. : 040-23735757, Res. : 040-23064757
Cell : 98482 70805, E-mail : ca.karumanchi@gmail.com
E-mail : karumanchipeddabbai@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Prajay Engineers Syndicate Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Prajay Engineers Syndicate Limited("the Company) ,Which comprise the standalone balance sheet as at 31 March 2020, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year than ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in Conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit/loss and other comprehensive income, changes in equity and its cash flows for the year ended on the date.

Basis for Opinion

We Conducted our audit in accordance with the standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together With the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to below mentioned Notes to standalone annual financial results :

a. Note 41 relating to a demand notice received by the company,

b. Note 39(a) of the Standalone Financial Statements, in respect of trade receivable considered good include an amount of Rs.18263.06 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 conformation from the concerned parties.An amount of Rs.1246.96 Lakhs is set aside towards provision for trade receivables considered as doubtful.

KARUMANCHI & ASSOCIATES * CHARTERED ACCOUNTANTS * Hyderabad

c.Note 39(b) of the standalone financial statements, in respect of Loans & Advances amounting to Rs.5888.47 Lakhs towards purchase of Land/Development towards certain project of long term nature, and an amount of Rs.1845.51 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.

As more specifically explained in Note 2 to the financial statements, the Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that in our professional judgement, Were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition (refer note 3.1 to the standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
Revenue from sale of residential and commercial units represents 77.18% of the total revenue from operations of the company. **Revenue recognition – Fixed price development contracts** The Company inter alia engages in fixed – price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs (Refer Note 3.1 to the standalone financial statements). **Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete** Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Due to the inherent nature of the projects and significant judgement involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.	Our audit procedures on revenue recognition included the following; • Evaluating that the company's revenue recognition accounting policies are in line with the applicable Accounting standards and their application to the key customer contracts including consistent application; Sales cut-off procedures for determination of revenue in the current reporting period. • Scrutinizing all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, Which met certain risk-based criteria, with relevant underlying documentation; • Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects and • Considered the adequacy of the disclosures in note 2 & 3 to the standalone financial statement in respect of the judgement taken in recognizing revenue for residential and hospitality sector. In addition, we have the performed the following procedures:

KARUMANCHI & ASSOCIATES * CHARTERED ACCOUNTANTS * Hyderabad

At Year-end a significant amount of work in progress related to these contracts is recognized on the balance sheet.	**Revenue recognition prior to receipt of OC / similar approval and intimation to the customer** • Discussing and challenging key management judgements in interpreting contractual terms including obtaining in- house legal interpretations; • Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers; • Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers; and • We have obtained confirmations, on a sample basis, from major customers for selected projects to confirm revenue recognized during the year end, performing alternative procedures by comparing details with contracts , collection details and other underlying project related documentation for cases where confirmations are not received. **Measurement of revenue recorded over time which is dependent on the estimates of the costs of complete** Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognized in accordance with the Company's revenue recognition policies; • Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects; • Review of the costs to complete workings, comparing the costs to complete with the budgeted costs and inquiring into reasons for variance; and • Sighting approvals for changes in budgeted costs with the rationale for the changes and assessment of contract costs to determine no revenue nature costs are taken to inventory.

Inventories (refer note 11 to standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
Inventories comprising of land, construction work in progress, food & beverages represent 30.74% of the Company's total assets. **Assessing net realizable value** The Company recognizes profit on each sale by reference to the overall project margin, which is the projected profit percentage for a phase that may comprise multiple units	Our audit procedures to assess the net realizable value (NRV) of inventories included the following: • Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment"); • Evaluating the design and implementation of the

Hyderabad
CHARTERED ACCOUNTANTS

and can last a number of years. The recognition of profit is therefore dependent on the estimate of future selling prices and build costs including an allowance for risk. Further estimation uncertainty and exposure to cyclicality exists within the long term projects. Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors. Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realizable value, the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories. Further, due to their materiality in the context of total assets of the Company this is considered significant to our overall audit strategy and planning.	Company's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Company and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate; • Evaluating the management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Company; • Re-performing the calculations of the NRV assessment and comparing the estimated construction costs to complete each development with the Company's updated budgets.

Land Advances - (refer note 10 to the standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
Assessment of recoverability of land advances Land advance represents a sizeable portion of the Company's total assets. Land advance represents the amount paid towards procurement of land parcels to be used in the future, for construction of residential projects. These advances are carried at cost less impairment losses, if any. These land advance will be converted into land parcels as per the terms of the underlying contract under which these land advances have been given. To assess the carrying value of land advances, these advances are tested for recoverability by the Company by comparing the valuation of land parcels in the same area for which land advances have been given. Further due to their materiality in the context of total assets of the company this is consider significant to our overall audit.	Our audit procedures to assess the recoverability of land advances included the following; • For our samples, verified the underlying agreements in possession of the Company, based on which land advances were given; • Discussion with the management to understand their plan for conversation of these land advances into land parcels; and • For our samples, verified the valuation reports of land stock.

KARUMANCHI & ASSOCIATES * CHARTERED ACCOUNTANTS * Hyderabad

Investment in subsidiaries and loans to group companies (refer to note 8, 9 and 10 to the standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
The carrying amount of the investments in subsidiaries, held at cost represents 9.70%, to associate, represents 4.39% of the Company's total assets respectively. **Recoverability of investment in subsidiary, joint ventures and an associate** The Company has investments in subsidiaries, joint ventures and an associate company which are considered to be associated with significant risk in respect of valuation of such investments. These investments are carried at cost less any diminution in value of such investments. In addition, considering the materiality of the investments in subsidiaries, joint ventures and an associate, vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit strategy and planning.	**Recoverability of investment in subsidiary, joint ventures and an associate** Our audit procedures included: • Comparing the carrying amount of investments with the relevant subsidiaries, joint ventures and associate balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries, joint ventures and an associate have historically been profit-making; • For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the projected profitability based on approved business plans of the subsidiaries joint ventures and an associate; • Considering the adequacy of disclosures in respect of the investment in subsidiaries, joint ventures and an associate.

The key Audit Matter	How the matter was addressed in our audit
Recoverability of loans to subsidiaries and joint ventures The Company has extended loans to joint ventures and subsidiaries that are assessed for recoverability at each period end. Financial assets, which include current loans to joint ventures and subsidiaries aggregated to Rs 2253.51 lakhs at 31 March 2020 Due to the nature of the business in the real estate industry, the Company is exposed to heightened risk in respect of the recoverability of the loans and advances granted to the aforementioned related parties. There is also judgement involved as to the recoverability of the working capital and project specific loans, Which rely on a number of property developments being completed over the time period specified in agreements.	**Recoverability of loans to subsidiaries and joint ventures** Our procedures included: • We reviewed the controls in place for issuing new loans and evidenced the Board/MD approval obtained. We obtained management's assessment of the recoverability of the loans, Which includes cash flow projections over the duration of the loans. These projections are based on underlying property development appraisals; • We tested cash receipts received in relation to these loans during the year through to bank statement; and We have obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on 31 March 2020.

KARUMANCHI & ASSOCIATES * CHARTERED ACCOUNTANTS * Hyderabad

In our opinion and based on the information and explanations given to us, there are no other key audit matters to be communicated in our report, other than those more fully described in the Emphasis of Matters paragraph of our report which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

- We assessed the Company's process to identify, assess, and respond to risks of material misstatement considering the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results for the year under consideration.

- As part of the evaluation of whether sufficient appropriate audit evidence has been obtained, we have evaluated the appropriateness of our initial risk assessments and revises previous risk assessments in light of the COVID-19 crisis for certain financial statement areas, including disclosures.

- We have considered the impact on the processes and controls that may be affected by necessary changes to business processes in light of circumstances such as travel restrictions, or as a result of remote working arrangements.

- We have designed, performed new procedures and modified previously planned audit procedures as a result of the necessity for carrying out the audit procedures remotely, including verification of the source and completeness of data provided for audit. This includes performing alternative audit procedures to obtain audit comfort in respect of significant account balances for recognition, measurement and disclosures.

- We have audited the management's estimates required in the financial statements, including, but not limited to, estimates related to expected credit loss, inventory obsolescence, impairment analyses by checking the reasonableness of underlying assumptions in making those key estimates. We specifically discussed the impact of COVID-19 with the management and critically challenged the key assumptions and their reasonableness in making such key accounting estimates.

- We have considered the basis of management judgement in determining impact on the financial statements of any subsequent events related to the COVID-19 pandemic, taking into consideration the date of the financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. As the impacts of the COVID-19 outbreak continue to evolve, including regulatory restrictions/ conditions, capturing events that relate specifically to conditions that existed at the date of the financial statements, or after the date of the financial statements, we have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's assessment of the Covid'19 impact.

- We have carried out a detailed analysis of data and performed additional analytical procedures for validating the management's assessment of impact due to covid - 19 related uncertainties.

- We have considered management's adjustments or disclosures which includes the impact of the changes in the environment on the recognition and measurement of account balances and transactions in the financial statements or other specific disclosures.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report there on.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion there on.

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flow of the 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. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern , disclosing, as applicable, matters related to going concern and using the concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise Professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

KARUMANCHI & ASSOCIATES * Hyderabad * CHARTERED ACCOUNTANTS

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern . If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation , structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143(11)of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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 purposes 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 standalone balance sheet, the standalone statement of profit and loss(including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account;

KARUMANCHI & ASSOCIATES * CHARTERED ACCOUNTANTS * Hyderabad

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the act; and

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 34 & 41 to the standalone financial statements;

(ii) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

(iv) The disclosures in the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.

For and on behalf of

Karumanchi & Associates
Chartered Accountants
Firm's registration number : 001753S

KARUMANCHI & ASSOCIATES Hyderabad CHARTERED ACCOUNTANTS

K.Peddabbai
Partner
M.No : 025036
UDIN No : 20025036AAAABY6087

Place : Hyderabad
Date : 31.07.2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and investment properties by which the property, plant and equipment and investment properties are verified bythe management according to a phased programme designed to cover all the items over a period of three years.

In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company andthe nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment and investment properties during the year and no discrepancies were noticed in respect of assetsverified during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The company inventory includes construction work in progress accordingly the requirements under paragraph 3(ii) of the Order is not applicable for construction work in progress. The inventory comprising of finished goods has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on verification between the physical stocks and the book records.

(iii) The Company has granted unsecured loans to companies, limited liability partnerships covered in the register maintained under Section 189 of the Companies Act,2013 ('the Act'). The Company has not granted any loans,secured or unsecured, to firms or other parties covered in the register required to be maintained under Section189 of the Act.

(a) According to the information and explanations given to us and based on the audit procedure conducted by us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to companies and limited liability partnerships covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to companies and limited liability partnerships and the interest there on are repayable on demand. The borrowers have been regular in payment of principal and interest as demanded.

(c) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to companies and limited liability partnerships by the Company.

(iv) In our opinion, and according to the information and explanations given to us and based on the audit procedures conducted by us , the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans granted, guarantees provided and investments made by the Company. The Company has not provided any security during the year to the parties covered under Section 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of providing securities is not applicable to the Company.

KARUMANCHI & ASSOCIATES Hyderabad CHARTERED ACCOUNTANTS

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per 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 rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable of the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Goods and Service Tax, Labour Cess, Professional Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. Amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income Tax have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in a few cases. As explained to us, the Company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Professional Tax, Property Tax, Labour Cess, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Particulars	**Amount (Rs.Lakhs)**	**Period To Which The Amount Relates (FY)**	**Forum Where the Dispute Is Pending**
Income Tax	841.48	2011-12	ITAT
Service Tax	1820.62	2006-07 To 2010-11	CESTAT
Entry Tax	13.18	2012-13 to 2016-17	Appellate Dy.Commissioner

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to banks or financial institutions or dues to debenture holders. The Company does not have any loans or borrowings from government during the year.

(ix) According to the information and explanation given us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations give to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

(xi) 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.

(xii) In our opinion and according to the information and explanations give to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions as been disclosed in the standalone financial statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) Based upon the audit procedures performed and the information and explanations give by the management, the Company as 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 clause3 (xiv) of the Order are not applicable to the company and hence not commented upon.

(xv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In Our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For and on behalf of

Karumanchi & Associates
Chartered Accountants
Firm's registration number : 001753S

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

K.Peddabbai
Partner
M.No : 025036
UDIN No : 20025036AAAABY6087

Place : Hyderabad
Date : 31.07.2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Prajay Engineers Syndicate Limited (" The Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

In our opinion, the Company has , in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note")

Management's Responsibility by Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components or internal control stated in the Guidance Note. 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 the 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 or 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 with respect to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether 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 with respect to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with respect to standalone financial statements included obtaining an understanding of internal financial controls with respect to standalone financial statements, 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 auditors judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 evaluations of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For and on behalf of

Karumanchi & Associates
Chartered Accountants
Firm's registration number : 001753S

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

K.Peddabbai
Partner
M.No : 025036
UDIN No : 20025036AAAABY6087

Place : Hyderabad
Date : 31.07.2020

Flat No. 301, Swarganivas Enclave, 7-1-619/A,
Behind : HUDA Complex, Ameerpet, Hyderabad - 500 038, T.S.
Tel. Off. : 040-23735757, Res. : 040-23064757
Cell : 98482 70805, E-mail : ca.karumanchi@gmail.com
E-mail : karumanchipeddabbai@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Prajay Engineers Syndicate Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Prajay Engineers Syndicate Limited("the Holding Company) and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") and its associates which comprise the consolidated balance sheet as at 31 March 2020, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year than ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its profit/loss and other comprehensive income, changes in equity and its cash flows for the year ended on the date.

Basis for Opinion

We Conducted our audit in accordance with the standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the company in accordance with the code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs.21865.02 lakhs as at 31st March 2020, the total revenues of Rs.73.53 lakhs and net cash flows amounting to Rs.(3.36) lakhs for the year ended on that date, as considered in the consolidated 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 financial statements in so far as is 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 it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

The consolidated financial statements also include the group's share of net loss of Rs.26.35 lakhs for the year ended 31st March 2020 as consolidated 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 the consolidated financial statements in so far as is relates to the amounts and disclosures included in respect of these associates, and our report in terms of Sec.143(3&11) of the Act, in so far it relates to these associate is based solely on the reports of the other auditors.

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

Emphasis of Matters

We draw attention to below mentioned Notes to consolidated annual financial results :

a) Note No. 42 relating to case filed in Hyderabad Bench of NCLT against the company and it' subsidiary company.

b) Note No. 37 relating to a demand notice received by the company.

c) Note No. 35(a) of the Consolidated Financial Statements, in respect of trade receivable considered good include an amount of Rs.18522.19 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.

d) Note No. 35(b) of the consolidated financial statements, in respect of Loans & Advances amounting to Rs.4473.06 Lakhs towards purchase of Land / Development towards certain project of long term nature, and an amount of Rs.1389.47Lakhs 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.

e) Interest Accrued amounting to Rs.10009.61 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 capitalized to inventories as done in earlier periods, Inventories and current Liabilities would have been higher by Rs.10009.61 Lakhs (Including Rs.1361.60 Lakhs for the year).

As more specifically explained in Note 2 and 3 to the financial statements, the Company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 pandemic which may be different from that estimated as at the date of approval of the financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

Revenue recognition (refer note 3.1 to the consolidated financial statements)

The key Audit Matter	How the matter was addressed in our audit
Revenue from sale of residential and commercial units represents 77.52 % of the total revenue from operations of the company. **Revenue recognition – fixed price development contracts**	Our audit procedures on revenue recognition included the following; • Evaluating that the company's revenue recognition accounting policies are in line with the applicable

KARUMANCHI & ASSOCIATES Hyderabad CHARTERED ACCOUNTANTS

The Group inter alia engages in fixed – price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs (Refer Note 3.3 to the consolidated financial Statements). **Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete** Revenue recognition involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Due to the inherent nature of the projects and significant judgement involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue. At Year-end a significant amount of work in progress related to these contracts is recognized on the balance sheet.	Accounting standards and their application to the key customer contracts including consistent application; Sales cut-off procedures for determination of revenue in the current reporting period. • Scrutinizing all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, Which met certain risk-based criteria, with relevant underlying documentation; • Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects and • Considered the adequacy of the disclosures in note 2 & 3 to the consolidated financial statement in respect of the judgment taken in recognizing revenue for residential and hospitality sector. In addition, we have the performed the following procedures: **Revenue recognition prior to receipt of OC / similar approval and intimation to the customer** • Discussing and challenging key management judgments in interpreting contractual terms including obtaining in- house legal interpretations; • Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers; • Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers; and • We have obtained confirmations, on a sample basis, from major customers for selected projects to confirm revenue recognised during the year end, performing alternative procedures by comparing details with contracts , collection details and other underlying project related documentation for cases where confirmations are not received. **Measurement of revenue recorded over time which is dependent on the estimates of the costs of complete** Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognized in accordance with the Group's revenue recognition policies; • Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects;

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

	• Review of the costs to complete workings, comparing the costs to complete with the budgeted costs and inquiring into reasons for variance; and • Sighting approvals for changes in budgeted costs with the rationale for the changes and assessment of contract costs to determine no revenue nature costs are taken to inventory.

Inventories (refer note 11 to consolidated financial statements)

The key Audit Matter	How the matter was addressed in our audit
Inventories comprising of land, construction work in progress, food & beverages represent 42.34% of the Company's total assets. **Assessing net realizable value** The Group recognizes profit on each sale by reference to the overall project margin, which is the projected profit percentage for a phase that may comprise multiple units and can last a number of years. The recognition of profit is therefore dependent on the estimate of future selling prices and build costs including an allowance for risk. Further estimation uncertainty and exposure to cyclicality exists within the long term projects. Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors. Inventory represents the capitalized project costs to date less amounts expensed on sales by reference to the aforementioned projections. It is held at the lower of cost and net realizable value, the latter also being based on the forecast for the project. As such inappropriate assumptions in these forecasts can impact the assessment of the carrying value of inventories. Further, due to their materiality in the context of total assets of the Company this is considered significant to our overall audit strategy and planning.	Our audit procedures to assess the net realizable value (NRV) of inventories included the following: • Discussion with the management to understand the basis of calculation and justification for the estimated recoverable amounts of the unsold units ("the NRV assessment"); • Evaluating the design and implementation of the Company's internal controls over the NRV assessment. Our evaluation included assessing whether the NRV assessment was prepared and updated by appropriate personnel of the Company and whether the key estimates, including estimated future selling prices and costs of completion for all property development projects, used in the NRV assessment, were discussed and challenged by management as appropriate; • Evaluating the management's valuation methodology and assessing the key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project and the sales budget plans maintained by the Company; • Re-performing the calculations of the NRV assessment and comparing the estimated construction costs to complete each development with the Company's updated budgets.

Land Advances -(refer note 10 to the consolidated financial statements)

The key Audit Matter	How the matter was addressed in our audit
Assessment of recoverability of land advances Land advance represents a sizeable portion of the Company's total assets. Land advance represents the amount paid towards procurement of land parcels to be used in the future, for	Our audit procedures to assess the recoverability of land advances included the following; • For our samples, verified the underlying agreements in possession of the Company, based on which land advances were given;

KARUNANCHI & ASSOCIATES • CHARTERED ACCOUNTANTS • Hyderabad

construction of residential projects. These advances are carried at cost less impairment losses, if any. These land advance will be converted into land parcels as per the terms of the underlying contract under which these land advances have been given. To assess the carrying value of land advances, these advances are tested for recoverability by the Company by comparing the valuation of land parcels in the same area for which land advances have been given. Further due to their materiality in the context of total assets of the company this is consider significant to our overall audit.	• Discussion with the management to understand their plan for conversation of these land advances into land parcels; and • For our samples, verified the valuation reports of land stock.

In our opinion and based on the information and explanations given to us, there are no other key audit matters to be communicated in our report, other than those morefully described in the Emphasis of Matters paragraph of our report which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

- We assessed the Company's process to identify, assess, and respond to risks of material misstatement considering the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results for the year under consideration.

- As part of the evaluation of whether sufficient appropriate audit evidence has been obtained, we have evaluated the appropriateness of our initial risk assessments and revises previous risk assessments in light of the COVID-19 crisis for certain financial statement areas, including disclosures.

- We have considered the impact on the processes and controls that may be affected by necessary changes to business processes in light of circumstances such as travel restrictions, or as a result of remote working arrangements.

- We have designed, performed new procedures and modified previously planned audit procedures as a result of the necessity for carrying out the audit procedures remotely, including verification of the source and completeness of data provided for audit. This includes performing alternative audit procedures to obtain audit comfort in respect of significant account balances for recognition, measurement and disclosures.

- We have audited the management's estimates required in the financial statements, including, but not limited to, estimates related to expected credit loss, inventory obsolescence, impairment analyses by checking the reasonableness of underlying assumptions in making those key estimates. We specifically discussed the impact of COVID-19 with the management and critically challenged the key assumptions and their reasonableness in making such key accounting estimates

- We have considered the basis of management judgement in determining impact on the financial statements of any subsequent events related to the COVID-19 pandemic, taking into consideration the date of the financial statements, the facts and circumstances pertaining to the entity, and the conditions that existed at, or arose after, that date. As the impacts of the COVID-19 outbreak continue to evolve, including regulatory restrictions/ conditions, capturing events that relate specifically to conditions that existed at the date of the financial statements, or after the date of the financial statements, we have considered all subsequent events and transactions to substantiate our conclusions on the appropriateness of management's assessment of the Covid'19 impact.

- We have carried out a detailed analysis of data and performed additional analytical procedures for validating the management's assessment of impact due to covid'19 related uncertainties.

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

- We have considered management's adjustments or disclosures which includes the impact of the changes in the environment on the recognition and measurement of account balances and transactions in the financial statements or other specific disclosures.

Other Information

The Group's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditors' report there on.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Group's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of theses consolidated financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flow of the 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. 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern , disclosing, as applicable, matters related to going concern and using the concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

KARUMANCHI & ASSOCIATES Hyderabad CHARTERED ACCOUNTANTS

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern . If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit, 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 purposes 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;

KARUMANCHI & ASSOCIATES • CHARTERED ACCOUNTANTS • Hyderabad

(c) The consolidated balance sheet, the consolidated statement of profit and loss(including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the act; and

(f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) 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 as at 31 March 2020 on its financial position in Its consolidated financial statements - Refer Note 34, 41 & 42 to the consolidated financial statements;

(ii) The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and

(iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

For and on behalf of

Karumanchi & Associates
Chartered Accountants
Firm's registration number : 001753S

K.Peddabbai
Partner
M.No : 025036
UDIN No: 20025036AAAABZ5384

KARUMANCHI & ASSOCIATES * CHARTERED ACCOUNTANTS * Hyderabad

Place : Hyderabad
Date : 31.07.2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2020

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to consolidated financial statements of Prajay Engineers Syndicate Limited (" The Company") as of 31 March 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on the date.

In our opinion, the Company has , in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements 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 (the "Guidance Note")

Management's Responsibility by Internal Financial Controls

The Group's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to consolidated financial statements criteria established by the Company considering the essential components or internal control stated in the Guidance Note. 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 the 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 or reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were established and maintained and whether 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 with respect to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with respect to consolidated financial statements included obtaining an understanding of internal financial controls with respect to consolidated financial statements, 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 auditors judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

KARUMANCHI & ASSOCIATES
Hyderabad
CHARTERED ACCOUNTANTS

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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 evaluations of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For and on behalf of

Karumanchi & Associates
Chartered Accountants
Firm's registration number : 001753S

KARUMANCHI & ASSOCIATES * CHARTERED ACCOUNTANTS * Hyderabad

K.Peddabbai
Partner
M.No : 025036
UDIN No: 20025036AAAABZ5384

Place : Hyderabad
Date : 31.07.2020

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020 (Rs. in Lakhs)					
Particulars	For the Quarter ended 31.03.2020 (Refer note no.4)	Preceeding 3 months ended 31.12.2019	Correspon-ding 3 months ended 31.03.2019	Year to date figures for the Current year ended 31.03.2020	Year to date figures for the previous year ended 31.03.2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
Continuing operations					
Revenue from operations	2,283.23	1,052.58	1,036.59	4,931.03	4,678.57
Other income	40.33	32.88	110.93	336.33	483.30
Total income	2,323.56	1,085.46	1,147.52	5,267.36	5,161.87
Expenses					
Cost of land, Plots and Constructed Properties	2,266.96	381.37	566.71	3,329.24	3,013.84
Direct Cost Hotels & Resorts	126.25	131.54	98.01	477.71	423.25
Employee benefits expense	71.85	86.39	88.75	320.58	381.23
Depreciation and amortisation expense	101.40	103.40	103.99	407.44	418.40
Finance costs	131.47	132.35	109.10	511.53	1,541.07
Other expenses	142.91	164.45	245.61	593.94	772.07
Total expense	2,840.84	999.50	1,212.17	5,640.44	6,549.86
Profit before non-controlling interests/share in profit/(loss) of associates	**(517.28)**	**85.96**	**(64.65)**	**(373.08)**	**(1,387.99)**
Exceptional items(Prior period adjustments)	-	-	-	-	-
Profit before tax	(517.28)	85.96	(64.65)	(373.08)	(1,387.99)
Tax Expenses:					
Current tax expense	(24.07)	24.07	-	-	-
Prior Period Tax			-		-
Deferred tax	14.39	33.71	95.22	90.05	(91.46)
Profit for the year	**(507.60)**	**28.18**	**(159.87)**	**(463.13)**	**(1,296.53)**
Other Comprehensive income/(loss) for the year, net of tax					
Items that will not be reclassified to profit or loss:					
Net Loss/gain on Fair value through OCI (FVTOCI) equity securities	(0.40)	0.18	(0.05)	(0.70)	(0.29)
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-
Income Tax Effect	0.06	(0.03)	0.01	0.12	0.06
Other comprehensive income/(loss) for the year, net of tax	**(0.34)**	**0.15**	**(0.04)**	**(0.58)**	**(0.23)**
Total comprehensive income for the year	**(507.94)**	**28.33**	**(159.91)**	**(463.71)**	**(1,296.76)**
Earnings per share:					
Basic earnings per share of Rs.10/- each	(0.73)	0.04	(0.23)	(0.66)	(1.85)
Diluted earnings per share of Rs.10/- each	(0.73)	0.04	(0.23)	(0.66)	(1.85)

PRAJAY ENGINEERS SYNDICATE LIMITED HYD.

For Prajay Engineers Syndicate Limited

D.Vijay Sen Reddy
Chairman and Managing Director
DIN:00291185

Place: Hyderabad
Date:31.07.2020

STANDALONE SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Particulars	For the Quarter ended 31.03.2020 (Refer note no.4)	Preceeding 3 months ended 31.12.2019	Correspon-ding 3 months ended 31.03.2019	Year to date figures for the Current year ended 31.03.2020	Year to date figures for the current year ended 31.03.2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
Segment Revenue					
Construction and Development	2,027.37	722.13	802.09	3,805.79	3,607.86
Hospitality - Hotels and Resorts	255.86	330.45	234.50	1,125.24	1,070.71
Unallocated Corporate Revenue	40.33	32.88	110.93	336.33	483.30
Total	2,323.56	1,085.46	1,147.52	5,267.36	5,161.87
Segment Results					
Construction and Development	(372.31)	140.68	(39.09)	(162.21)	(261.72)
Hospitality Services - Hotels and Resorts	(41.87)	52.44	(15.59)	9.41	17.65
Total	(414.18)	193.12	(54.68)	(152.80)	(244.07)
Unallocated Expenditure					
Interest and Finance Charges	131.47	132.35	109.10	511.53	1,541.07
Other unallocated expenditure (net of unallocated income)	(28.37)	(25.19)	(99.13)	(291.25)	(397.15)
Profit before Exceptional Items	(517.28)	85.96	(64.65)	(373.08)	(1,387.99)
Exceptional Items (Prior period adjustments)	-	-	-	-	-
Profit before Taxation	**(517.28)**	**85.96**	**(64.65)**	**(373.08)**	**(1,387.99)**
Segment Assets:					
- Construction and Development	69,525.82	73,371.37	74,436.96	69,525.82	74,436.96
- Hospitality - Hotels and Resorts	27,336.42	27,291.27	27,094.64	27,336.42	27,094.64
- Unallocated	13,600.40	13,598.10	13,906.96	13,600.40	13,906.96
Segment Liabilities:					
- Construction and Development	44,612.74	47,997.49	49,445.42	44,612.74	49,445.42
- Hospitality - Hotels and Resorts	577.56	541.27	418.33	577.56	418.33
- Unallocated	1,485.08	1,494.76	1,395.03	1,485.08	1,395.03

PRAJAY ENGINEERS SYNDICATE LIMITED HYD.

For Prajay Engineers Syndicate Limited

D.Vijay Sen Reddy
Chairman and Managing Director
DIN:00291185

Place: Hyderabad
Date:31.07.2020

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Consolidated				
	For the Quarter ended 31.03.2020 (Refer note no.4)	Preceeding 3 months ended 31.12.2019	Correspon-ding 3 months ended 31.03.2019	Year to date figures for the Current year ended 31.03.2020	Year to date figures for the Previous year ended 31.03.2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
Continuing operations					
Revenue from operations	2,319.65	1,047.34	1,245.96	5,004.56	4,887.94
Other income	40.36	33.17	111.14	336.66	486.93
Total income	2,360.01	1,080.51	1,357.10	5,341.22	5,374.87
Expenses					
Cost of land, Plots and Constructed Properties	2,325.73	389.86	858.10	3,428.99	3,305.22
Direct Cost Hotels & Resorts	126.25	131.54	98.01	477.71	423.25
Employee benefits expense	73.51	88.16	90.86	326.95	386.69
Depreciation and amortisation expense	102.84	104.83	105.55	413.16	424.73
Finance costs	131.50	132.73	113.45	512.01	1,545.59
Other expenses	148.04	164.55	250.24	600.38	781.93
Total expense	2,907.87	1,011.67	1,516.21	5,759.20	6,867.41
Profit before non-controlling interests/share in profit/(loss) of associates	**(547.86)**	**68.84**	**(159.11)**	**(417.98)**	**(1,492.54)**
Share of profit / (loss) of associate and joint ventures	26.68	(39.73)	(41.20)	(26.35)	(53.16)
Profit before exceptional items and tax	**(521.18)**	**29.11**	**(200.31)**	**(444.33)**	**(1,545.70)**
Exceptional items(Prior period adjustments)	-	-	-	-	-
Profit before tax	(521.18)	29.11	(200.31)	(444.33)	(1,545.70)
Tax Expenses:					
Current tax expense	(24.07)	24.07	-	-	-
Prior Period Tax	-		-		-
Deferred tax	14.44	33.75	95.29	90.23	(89.96)
Profit for the year	**(511.55)**	**(28.71)**	**(295.60)**	**(534.56)**	**(1,455.74)**
Other Comprehensive income/(loss) for the year, net of tax					
Items that will not be reclassified to profit or loss:					
Net Loss/gain on Fair value through OCI (FVTOCI) equity securities	(0.40)	0.18	(0.05)	(0.70)	(0.29)
Remeasurement of the net defined benefit liability/asset	-	-	-	-	-
Income Tax Effect	0.06	(0.03)	0.01	0.12	0.06
Other comprehensive income/(loss) for the year, net of tax	**(0.34)**	**0.15**	**(0.04)**	**(0.58)**	**(0.23)**
Total comprehensive income for the year	**(511.89)**	**(28.56)**	**(295.64)**	**(535.14)**	**(1,455.97)**
Profit attributable to:					
Owners of the Company	(504.95)	(24.95)	(274.96)	(524.87)	(1,432.69)
Non Controlling Interest	(6.60)	(3.76)	(20.64)	(9.69)	(23.05)
Profit for the year	**(511.55)**	**(28.71)**	**(295.60)**	**(534.56)**	**(1,455.74)**
Total Comprehensive Income attributable to :					
Owners of the Company	(505.29)	(24.80)	(275.00)	(525.45)	(1,432.92)
Non Controlling Interest	(6.60)	(3.76)	(20.64)	(9.69)	(23.05)
Profit for the year	**(511.89)**	**(28.56)**	**(295.64)**	**(535.14)**	**(1,455.97)**
Earnings per share:					
Basic earnings per share of Rs.10/- each	(0.74)	(0.04)	(0.43)	(0.77)	(2.08)
Diluted earnings per share of Rs.10/- each	(0.74)	(0.04)	(0.43)	(0.77)	(2.08)

PRAJAY ENGINEERS SYNDICATE LIMITED HYD.

For Prajay Engineers Syndicate Limited

D.Vijay Sen Reddy
Chairman and Managing Director
DIN:00291185

Place: Hyderabad
Date:31.07.2020

CONSOLIDATED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Particulars	For the quarter ended 31.03.2020 (Refer note no.4)	Preceeding 3 months ended 31.12.2019	Correspon-ding 3 months ended 31.03.2019	Year to date figures for the current year ended 31.03.2020	Year to date figures for the previous year ended 31.03.2019
	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Audited)
Segment Revenue					
Construction and Development	2,063.79	716.89	1,011.46	3,879.32	3,817.23
Hospitality - Hotels and Resorts	255.86	330.45	234.50	1,125.24	1,070.71
Unallocated Corporate Revenue	40.36	33.17	111.14	336.66	486.93
Total	2,360.01	1,080.51	1,357.10	5,341.22	5,374.87
Segment Results					
Construction and Development	(401.06)	123.96	(127.40)	(204.83)	(359.95)
Hospitality Services - Hotels and Resorts	(41.87)	52.44	(15.59)	9.41	17.65
Total	(442.93)	176.40	(142.99)	(195.42)	(342.30)
Unallocated Expenditure					
Interest and Finance Charges	131.50	132.73	113.45	512.01	1,545.59
Other unallocated expenditure (net of unallocated income)	(26.57)	(25.17)	(97.33)	(289.45)	(395.35)
Profit before Exceptional Items	(547.86)	68.84	(159.11)	(417.98)	(1,492.54)
Exceptional Items (Prior period adjustments)	-	-	-	-	-
Profit before Taxation	**(547.86)**	**68.84**	**(159.11)**	**(417.98)**	**(1,492.54)**
Segment Assets:					
- Construction and Development	87,119.80	91,075.50	93,846.49	87,119.80	93,846.49
- Hospitality - Hotels and Resorts	28,617.34	28,561.55	27,094.62	28,617.34	27,094.62
- Unallocated	7,053.21	7,050.91	7,359.76	7,053.21	7,359.76
Segment Liabilities:					
- Construction and Development	46,948.54	50,413.97	52,146.59	46,948.54	52,146.59
- Hospitality - Hotels and Resorts	577.56	541.27	418.32	577.56	418.32
- Unallocated	1,479.59	1,488.97	1,389.36	1,479.59	1,389.36

PRAJAY ENGINEERS SYNDICATE LIMITED HYD.

For Prajay Engineers Syndicate Limited

D.Vijay Sen Reddy
Chairman and Managing Director
DIN:00291185

Place: Hyderabad
Date:31.07.2020

STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

(Rs.in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended		Year ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
ASSETS				
Non-current assets				
Property, Plant and Equipment	12,193.41	12,479.02	12,208.41	12,499.75
Capital work-in-progress	25,857.87	25,371.86	27,138.79	26,610.82
Goodwill on consolidation			1,021.78	1,021.78
Other Intangible Assets	1.46	1.97	1.46	1.97
Financial Assets				
(i) Investments in subsidiaries	7,643.88	7,643.88	-	-
(ii) Investments in associates	5,675.14	5,675.14	5,675.14	5,675.14
(iii) Other investments	0.67	1.37	0.67	1.37
(iv) Loans	69.61	69.61	75.58	75.59
Other non-current assets	5,188.47	5,631.14	3,773.06	4,216.86
	56,630.51	56,873.99	49,894.89	50,103.28
Current assets				
Inventories	33,960.74	36,460.15	51,983.86	54,421.99
Financial Assets				
(i) Investments	0.10	-	0.10	-
(ii) Trade Receivables	17,267.20	18,475.33	17,562.00	19,224.24
(iii) Cash and cash equivalents	300.65	449.19	359.55	511.41
(iv) Loans	626.87	719.85	1,238.48	1,504.99
Current Tax Assets	280.60	586.56	355.52	661.47
Other current assets	1,395.95	1,873.49	1,395.95	1,873.49
	53,832.11	58,564.57	72,895.46	78,197.59
Total Assets	**110,462.62**	**115,438.56**	**122,790.35**	**128,300.87**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	6,993.58	6,993.58	6,993.58	6,995.58
Other Equity	50,149.34	50,538.40	50,469.10	50,929.59
Equity attributable to equity holders of the company	57,142.92	57,531.98	57,462.68	57,925.17
Non-Controlling Interest	-	-	82.32	92.01
Total Equity	57,142.92	57,531.98	57,545.00	58,017.18
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	2,040.29	1,891.88	14,405.88	14,257.47
Provisions	94.46	94.61	94.46	94.61
Deferred tax liabilities(Net)	1,335.98	1,245.93	1,330.08	1,239.85
Total Non-Current Liabilities	3,470.73	3,232.42	15,830.42	15,591.93
Current liabilities				
Financial Liabilities				
(i) Borrowings	4,509.58	4,661.30	1,739.32	1,977.34
(ii) Trade Payables	17,210.63	20,758.21	18,983.42	22,552.57
(iii) Other financial liabilities	20,915.43	21,992.42	20,915.43	21,992.42
Other current liabilities	7,064.23	7,113.13	7,627.25	8,019.92
Current Tax Liabilities	149.10	149.10	149.51	149.51
Total Current Liabilities	49,848.97	54,674.16	49,414.93	54,691.76
Total Equity and Liabilities	**110,462.62**	**115,438.56**	**122,790.35**	**128,300.87**

PRAJAY ENGINEERS SYNDICATE LIMITED HYD.

For Prajay Engineers Syndicate Limited

D.Vijay Sen Reddy
Chairman and Managing Director
DIN:00291185

Place: Hyderabad
Date: 31.07.2020

Notes:

1 The above results , which have been reviewed by the Statutory Auditors of the company, are published in accordance with the Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations , 2015, have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 31.07.2020.

2 The financial results are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Sections 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards)(Amendment) Rules, 2016 and other accounting principles generally accepted in India.

3 The format for quarterly results as prescribed in SEBI's Circular dated Nov 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 5, 2016, Ind-AS and Schedule III (Division II) of the Companies Act , 2013, which are applicable to Companies that are required to comply with Ind-AS.

4 The figures of 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.

5 Mrs.D.Hymavathi Reddy, one of the shareholders of the company, had filed a company petition CP No.119/HDB/2018 fefore the National Company Law Tribunal (NCLT), Hyderabad banch against the company, had become infructuous as the main petition is dismissed as withdrawn.

6 Due to Covid-19 , the company could not start its Hospitality sector operations after 24th March ,2020. The Company's Construction division Operations are also severly effected after 24th March 2020.

7 Segments have been identified in accordance with Indian Accounting Standard 108 on Segment reporting, concerning the returns / risk profiles of the business and the company has two segments as follows:
(a). Construction and Development of Property
(b). Hospitality - Hotels and Resorts

8 Figures for the previous period/year have been regrouped, whereever considered necessary.

9 As a result of economic slowdown and continued recessionary tendencies in the realty sector, the realisations from customers are very slow.

PRAJAY ENGINEERS SYNDICATE LIMITED HYD.

For Prajay Engineers Syndicate Limited

D.Vijay Sen Reddy
Chairman and Managing Director
DIN:00291185

Place: Hyderabad
Date:31.07.2020

Consolidated Statement of Cash Flows for the Year ended March 31, 2020

(Rs.in Lakhs)

Particulars	For the year ended 31 March 2020 (Audited)	For the year ended 31 March 2019 (Audited)
Operating activities		
Profit before tax	**(417.98)**	**(1,492.54)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	412.65	424.21
Amortisation of intangible assets	0.51	0.52
Finance income (including fair value change in financial instruments)	(115.86)	(5.78)
Finance costs (including fair value change in financial instruments)	512.71	1,545.88
Working capital adjustments:		
(Increase)/ decrease in trade receivables	1,662.24	1,532.05
(Increase)/ decrease in inventories	2,438.13	2,184.38
(Increase)/ decrease in loans	266.52	106.61
(Increase)/ decrease in other assets	921.34	878.55
Increase/ (decrease) in trade payables and other financial liabilities	(4,458.84)	(3,046.73)
Increase/ (decrease) in provisions	(0.15)	(4.19)
Increase/ (decrease) in other non financial liabilities	(212.09)	2,827.66
	1,009.18	**4,950.62**
Income tax paid	493.39	(52.03)
Net cash flows from operating activities	**1,502.57**	**4,898.59**
Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(649.29)	(3,063.99)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(0.10)	34.50
Interest received (finance income)	2.88	5.78
Net cash flows used in investing activities	**(646.51)**	**(3,023.71)**
Financing activities		
Proceeds / (repayment) from long term borrowings, net	148.41	(132.69)
Proceeds / (repayment) from short term borrowings, net	(238.02)	(168.88)
Interest paid	(918.31)	(1,595.97)
Net cash flows from/ (used in) financing activities	**(1,007.92)**	**(1,897.54)**
Net increase / (decrease) in cash and cash equivalents	(151.86)	(22.66)
Cash and cash equivalents at the beginning of the year	511.41	534.07
Cash and cash equivalents at the end of the period	**359.55**	**511.41**

PRAJAY ENGINEERS SYNDICATE LIMITED HYD.

For Prajay Engineers Syndicate Limited

D.Vijay Sen Reddy
Chairman and Managing Director
DIN:00291185

Place: Hyderabad
Date: 31.07.2020

Standalone Statement of Cash Flows for the Year ended March 31, 2020

(Rs.in Lakhs)

Particulars	For the year ended 31 March 2019 (Audited)	For the year ended 31 March 2019 (Audited)
Operating activities		
Profit before tax	**(373.08)**	**(1,387.99)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of tangible assets	406.94	417.89
Amortisation of intangible assets	0.50	0.51
Finance income (including fair value change in financial instruments)	(115.86)	(5.49)
Finance costs (including fair value change in financial instruments)	512.23	1,541.36
Working capital adjustments:		
(Increase)/ decrease in trade receivables	1,208.13	1,389.53
(Increase)/ decrease in inventories	2,499.41	2,142.09
(Increase)/ decrease in loans	92.98	38.48
(Increase)/ decrease in other assets	920.21	(538.43)
Increase/ (decrease) in trade payables and other financial liabilities	(4,218.97)	(2,875.91)
Increase/ (decrease) in provisions	(0.15)	(4.19)
Increase/ (decrease) in other non financial liabilities	(48.78)	2,715.98
	883.56	**3,436.92**
Income tax paid	493.59	(51.88)
Net cash flows from operating activities	**1,377.15**	**3,385.04**
Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(607.33)	(1,825.03)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(0.10)	22.85
Interest received (finance income)	2.88	5.49
Net cash flows used in investing activities	**(604.55)**	**(1,796.69)**
Financing activities		
Proceeds / (repayment) from long term borrowings, net	148.41	(132.69)
Proceeds / (repayment) from short term borrowings, net	(151.72)	156.57
Interest paid	(917.83)	(1,591.45)
Net cash flows from/ (used in) financing activities	**(921.14)**	**(1,567.57)**
Net increase / (decrease) in cash and cash equivalents	(148.54)	20.78
Cash and cash equivalents at the beginning of the year	449.19	428.41
Cash and cash equivalents at the end of the period	**300.65**	**449.19**

PRAJAY ENGINEERS SYNDICATE LIMITED HYD.

For Prajay Engineers Syndicate Limited

D.Vijay Sen Reddy
Chairman and Managing Director
DIN:00291185

Place: Hyderabad
Date: 31.07.2020