

3rd September, 2019

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,

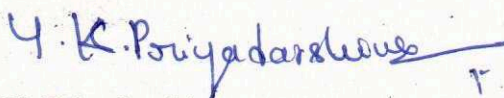
Sub: Submission of Annual Report pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations 2015).

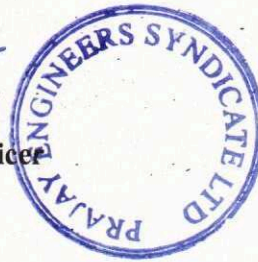
Pursuant to the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015, please find the enclosed copy of Annual Report of the Company for the financial year 2018-19 along with the notice of 25th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2019, at 3.00 P.M., at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana, India.

You are requested to take same on your records.

Thanking you,

Yours truly,
For Prajay Engineers Syndicate Limited


Y.K. Priyadarshini
Company Secretary and Compliance Officer



Prajay Engineers Syndicate Ltd.

Regd. Office : 5th Floor, Prajay Corporate House,
Chikoti Gardens, Hyderabad - 500 016.
Tel : 91 - 40 6628 5566

E-mail : info@prajayengineers.com
CIN : L45200TG1994PLC017384

www.prajayengineers.com

Annual Report
2018 - 2019



Celebrity Villas - Shamirpet



Celebrity Resorts - Shamirpet



Fitbuzz



Prajay Water Front City Phase - II

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vijaysen Reddy Dantapalli	Chairman & Managing Director (from 26.04.2019)
Mr. Rohit Reddy Dantapalli	Director (up to 25.04.2019)
Mr. Ravi Kumar Kutikalapudi	Director
Mr. Raghavender Reddy Marpadaga	Independent Director
Mr. Jaya Simha Reddy Lingam	Independent Director
Mrs. Padmaja Kota	Independent Director

Corporate Identity Number

L45200TG1994PLC017384

Registered Office:

1-10-63 & 64, 5th Floor, Prajay Corporate House,
Chikoti Gardens, Begumpet,
Hyderabad - 500016 , Telangana
Website: www.prajayengineers.com
Email: investorrelations@prajayengineers.com
pesl.cs@prajayengineers.com

Internal Auditor:

Mr. M. Shankar, B.com, MBA-Finance
Hyderabad`

Secretarial Auditors:

Mr. M. Ramana Reddy
For and on behalf of M/s. P.S.Rao and Associates
Practicing Company Secretaries, Hyderabad.

Bankers:

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

Statutory Auditors:

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

Registrar and Share Transfer Agents:

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Phone:040-67161606
Website: www.karvycomputershare.com
(up to 16-01-2019)

Venture Capital and Corporate Investments Private Limited. (from 17-01-2019)

12-10-167, Bharat Nagar
Hyderabad, 500018,
Phone : +91 040-23818475/23818476/23868023
Fax : +91 040-23868024
Website: www.vccipl.com
Email: info@vccilindia.com/info@vccipl.com

Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Mr. Raghavender Reddy – Chairman	Mr. Raghavender Reddy – Chairman	Mr. Raghavender Reddy – Chairman	Mr. Raghavender Reddy – Chairman
Mrs. Padmaja Kota – Member	Mrs. Padmaja Kota – Member	Mrs. Padmaja Kota – Member	Mrs. Padmaja Kota – Member
Mr. L.Jaya Simha Reddy – Member	Mr. L.Jaya Simha Reddy – Member	Mr. L.Jaya Simha Reddy – Member	Mr. L.Jaya Simha Reddy – Member
Mr. K.Ravi Kumar – Member	Mr. D.Vijaysen Reddy - Member	Mr. D.Rohit Reddy – Member	Mr.D.Rohit Reddy – Member

PROFILE OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS:

Mr. Vijaysen Reddy Dantapalli, Chairman and Managing Director

Mr. Vijaysen Reddy Dantapalli, a Semi-qualified Chartered Accountant, has got more than 3 (Three) decades of rich and varied experience in the construction industry. Mr. Reddy's rich experience drives the successful completion of projects at Prajay. He is also involved with the expansion strategy of the Company and is entrusted with the responsibility of identifying new ventures. He oversees the entire construction activities with his vast/multi faceted experience and his broad vision helps energize the Prajay team.

NON-EXECUTIVE & INDEPENDENT DIRECTORS

Mr. Rohit Reddy Dantapalli, Director

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

Mr. Ravi Kumar Kutikalapudi, Director

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

Mrs. Padmaja Kota (Independent Director)

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

Mr. Raghavender Reddy Marpadaga (Independent Director)

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

Mr. Jaya Simha Reddy Lingam (Independent Director)

Jayasimha Reddy is a retired Group-A officer in Tobacco Board, Ministry of Commerce and Industry, Govt. Of India with an experience of 34 years and exposure in various fields such as Administration, Marketing Electronic Auctions, Extension & development fields.

SENIOR MANAGEMENT AND OTHERS:**Mr. Bhaskara Rao Patnana, Chief Financial Officer (CFO)**

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

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

Ms. Y.K. Priyadarshini, is a post graduate a member of ICSI, and has more than 6 years experience as company secretary and compliance officer of listed company(ies).

Mr. Samir De, GM – Projects

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

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NOTICE

NOTICE is hereby given that the 25th (Twenty Fifth) Annual General Meeting of the Members of Prajay Engineers Syndicate Limited (“the Company”) will be held on **Monday, the 30th day of September, 2019, at 3.00 P.M.**, at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019, together with the reports of the Board of Directors and Statutory Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019, together with the report of Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Rohit Reddy Dantapalli, (holding DIN :07560450) who retires by rotation, and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Regularisation of appointment of Mr. Vijaysen Reddy Dantapalli, as a Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies 2013, (“the Act”) and Rules made there under (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee of the Company, the consent of the members of the Company be and is hereby accorded to regularize the appointment of Mr. Vijaysen Reddy Dantapalli (holding DIN:00291185), as a Director of the Company. who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 25th April, 2019 and whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act, from a member proposing his candidature for the office of Director of the Company.”

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

4. To approve the appointment of Mr. Vijaysen Reddy Dantapalli as a Managing Director of the Company.

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

“**RESOLVED THAT** subject to the provisions of Sections 196 and 203 read with Schedule V to the Act, and all other applicable sections and provisions of the Companies Act, 2013, and Rules made there under (as may be amended from time to time, including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to Article 88 of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Vijaysen Reddy Dantapalli (holding DIN:00291185), as a Managing Director of the Company for a period of 3 years w.e.f. from 26th April, 2019, without any remuneration and as per the brief terms set out in the explanatory statement to this resolution”.

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

5. Appointment of Mr. L. Jaya Simha Reddy, as an Independent Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of section 149 and 150, of the Companies Act, 2013 (“the Act”) read with Schedule IV, and other applicable provisions of the Act if any, and rules made thereunder,

and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force), and based on the recommendations of the Nomination and Remuneration Committee of the Company, the members of the Company be and are hereby accord their consent to appoint Mr. Jaya Simha Reddy Lingam (holding DIN 08328343), (who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 14th February, 2019 and whose term of office as an Additional Director (under Non-Executive Independent category) of the Company expires at this Annual General Meeting and in respect of whom Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director), as an Independent Director of the Company not liable to retire by rotation, hold office for a term of 5 consecutive years from 14th February, 2019 to 13th February, 2024”.

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

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

Place : Hyderabad
Date : 26.08.2019

Sd/-
Vijaysen Reddy Dantapalli
Chairman and Managing Director
DIN: 00291185

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company.**
2. The instrument of proxy in order to be effective should be deposited at the registered office of the Company in a duly completed and signed form, not less than 48 hours before the commencement of the AGM. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported duly certified copy of the board resolution/authority, as applicable. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the board resolution to the Company authorizing them to attend and vote on their behalf at the AGM.
3. Members, Proxies and Authorized Representatives are requested to bring the duly completed and signed Attendance Slip (which is enclosed herewith to the notice) to attend the AGM.

Pursuant to the provisions of the Companies Act, 2013 and Rules made there under viz. Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of a maximum of 50 members not exceeding 50 (fifty) in number, and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as a proxy, provided that person does not act as a proxy for any other shareholder.
4. The Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts in respect of Special Business is enclosed to this notice as **Annexure-I** to the Notice. The relevant details, pursuant to Regulations 26(4) and 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, "SEBI (LODR) Regulations" and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the directors proposed to be appointed/re-appointed at this AGM are enclosed as **Annexure-II** to the Notice.
5. The register of members and share transfer books of the company will remain closed from Tuesday, the 24th September, 2019 to Monday, the 30th September, 2019 (both days inclusive) for the purpose of the 25th AGM of the company.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Venture Capital and Corporate Investments Private Limited (VCCIPL).
7. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs (if the shares are held in electronic form) / VCCIPL (if the shares are held in physical form). Members who held the shares in physical form). The registered e-mail address will be used for sending future communications.
8. The members are requested to intimate changes if any with respect to their name, postal address, email address, telephone numbers, mobile numbers, Permanent Account Numbers (PAN), nominations, power of attorney etc to their DPs (if the shares are held in electronic form) / to VCCIPL (if the shares are held in physical form).
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 to their DPs (if the shares are held in electronic form) / to VCCIPL (if the shares are held in physical form).
10. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or VCCIPL, the details of such folios together with the share certificate for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. Electronic copy of annual report which includes the notice of the AGM along with Attendance Slip and Proxy Form, is being sent to all the Members whose email addresses are registered with the Company/depository participant(s). For Members who have not registered their email address, physical copies are being sent by the

permitted mode. Members may note that this Notice will also be available on the Company's website under the web link: www.prajayengineers.com/investors.

13. Members are entitled to receive the said Annual Report & Notice in physical form upon sending a request in writing to the Company's registered office and/or sending an email to investorrelations@prajayengineers.com. Members whose email address is not registered, a physical copy of the said Annual Report and Notice is being dispatched in the permitted mode.
14. As a measure of economy and in support of green initiative of Ministry of Corporate Affairs Members are requested to bring their copy of the Annual Report with them at the AGM and also bring the attendance slip duly filled and signed and submit at the entrance of the venue.
15. Members, who wish to obtain any information on the Company or view the accounts for the Financial Year ended 31st March, 2019 send their request(s) an early date, so as to enable the management to provide the requisite information.
16. All the documents referred to in the notice and explanatory statements are open for inspection at the Registered Office of the Company on all working days from 10.00 A.M. to 1.00 P.M. up to the date of the meeting.
17. Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 and all other applicable provisions and rules made there under, M/s. Karumanchi & Associates, Chartered Accountants, Hyderabad, has been appointed by the Shareholders of the Company in the 23rd AGM held on 27th September, 2017, for a period of 4 years i.e. from the conclusion of 23rd AGM to till the conclusion of 27th AGM subject to the ratification by the shareholders at every AGM during their tenure. In accordance with Section 40 of the Companies Amendment Act 2013, The requirement for ratification of appointment of Statutory Auditor at every AGM has been dispensed with. However, the shareholders of the Company has ratified the remaining terms of Statutory Auditors in the AGM held on 29th September, 2018.
18. During the financial year under review company has not transferred any shares to Investor Education Protection Fund (IEPF) authority. However, during the month of July, 2019 pursuant to the directions of the IEPF authority company has transferred the 34,103 (Thirty four thousand one hundred and three) equity shares in respect of which the dividend has not been claimed for seven consecutive years. The members can claim the transfer of such shares from IEPF in accordance with the procedure and on submission of the documents as prescribed from time to time. Additionally, the details have also been uploaded on the website of the Company.
19. The route map showing directions to reach the venue of the 25th AGM is annexed to the notice.
20. **Voting through electronic means:**
 - a) In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide its members the facility to exercise their right to vote at the 25th AGM by electronic means. The facility of casting votes by a member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided through Central Depository Services Limited (CDSL), e-voting platform and the items of business as detailed in this notice may be transacted through remote e-voting.
 - b) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date, the Monday, the 23rd September, 2019 ("the cut-off date") only shall be entitled to exercise the voting right (either through remote-voting or at poll AGM).
 - c) A person who is not a member as on the cut-off date should treat this notice for information purpose only.
 - d) It may be noted that availing the remote E-voting facility is optional. The ballot shall also be made available at the AGM. The members attending AGM but have not cast their vote by Remote E-voting may exercise their right at the meeting. The members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - e) The E-Voting periods commences from 9.00 a.m. on Friday, the 27th September, 2019 and will end at 5.00 p.m. on Sunday, the 29th September, 2019.
 - f) The persons who have become Members of the Company after the dispatch of the Notice and Annual Report and their names appear in the Register of Members/List of Beneficial owners as on the Cut-off date may contact the Registrars & Share Transfer Agents to obtain the Notice of AGM and the login id and password for casting vote electronically or may cast their vote through physical ballot at the AGM. The Cut-off date for the purpose of remote e-voting is Monday, the 23rd September, 2019.

- g) Mr. M. Ramana Reddy, P S Rao & Associates, Practicing Company Secretaries, Hyderabad, has been appointed as the Scrutinizer to scrutinize the e-voting process and poll through ballot at the AGM in a fair and transparent manner.
- h) The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs along with physical copy of the Annual Report. Those members who have registered their e-mail IDs with the Company/their respective Depository Participants, are being forwarded the login ID and password for e-voting along with process, manner and instructions by email.
- i) Once the vote on a resolution is cast by a shareholder, the Shareholders shall not be allowed to change it subsequently. Further, the Shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.
- j) In case of members who are entitled to vote but have not exercised their right to vote by electronic means, the chairman may offer an opportunity to such members to vote at the meeting for all businesses specified in the accompanying notice. If a member casts votes by both the modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- k) The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses who is not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the meeting.

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction <p>(iv).</p>

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant (i.e., **Prajay Engineers Syndicate Limited**) on which you choose to vote.
- xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

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

Sd/-
Vijaysen Reddy Dantapalli,
Chairman and Managing Director
DIN: 00291185

Place : Hyderabad
Date : 26.08.2019

Annexure - I

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

Item Nos.3 and 4

Considering the vast experience of Mr. Vijaysen Reddy Dantapalli, as a Promoter, Executive Director, Chairman and Managing Director and based on the recommendations of Nomination and Remuneration Committee, the Board of Directors of the Company (the board) appointed him as an Additional Director with effect from 25th April, 2019. Subject to the approval of members in the Annual General Meeting (AGM) the Board also appointed as Managing Director of the Company for a period of 3 years with effect from 26th April, 2019. As an Additional Director, he holds office till the date of the ensuing AGM. Hence, in terms of the applicable provisions of Companies Act, 2013, approval of the members of the Company is required for regularization of Mr. Vijaysen Reddy Dantapalli as Director of the Company. Further the approval of shareholders also required for appointment of Mr. Vijaysen Reddy Dantapalli as Managing Director.

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

Pursuant to the Provisions of Section 196 of the Companies Act, 2013, Mr. Vijaysen Reddy Dantapalli, appointment as Managing Director has to be ratified by the members of the company in the general meeting.

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

1. Term of Office

Three years commencing from 26th April, 2019..

2. Remuneration: Nil

3. Termination

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

4. Job Profile

Mr. D. Vijaysen Reddy shall be responsible for the management of day to day operations of the Company under the superintendence, guidance and control of the Board.

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

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

In the opinion of the Board of Directors and Nomination and Remuneration Committee, Mr. Vijaysen Reddy Dantapalli's knowledge and experience will be of immense value to the Company. Hence, the Board of Directors, therefore, recommends the Resolutions as set out at Item Nos.3 & 4 for the approval of members of the company as **Ordinary Resolutions**.

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

Item No. 5

Pursuant to the provisions of Section 149 and other applicable provisions of the companies act, 2013 with respect to and tenure of the Independent Directors, an Independent Director shall not be liable to retire by rotation, and shall hold office for a term up to Five consecutive years on the board of a company. The directors of the company (based on the recommendation of Nomination and Remuneration Committee) had the board of directors appointed Mr. Jaya Simha Reddy Lingam, as an additional director under Independent category with effect from 14th February, 2019. He holds office till the date of ensuing Annual General Meeting and is eligible for being appointed as Independent Director.

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

Mr. Jaya Simha Reddy Lingam has given declaration that he meets the criteria of independence as provided under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

Hence, the Board of Directors therefore, recommends resolution as set out under Item No. 5 for the approval of members as an **Ordinary Resolution**.

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

Mr. Jaya Simha Reddy Lingam and his relatives be deemed to be concerned or interested in Item No.5 as it relates to his appointment as a Director of the Company. None of the other Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested financially or otherwise in the Resolution mentioned at Item No. 5 of the accompanying Notice.

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

Sd/-
Vijaysen Reddy Dantapalli,
Chairman and Managing Director
DIN: 00291185

Place : Hyderabad
Date : 26.08.2019

Annexure - II

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

I. Name of the Director	Mr. Rohit Reddy Dantapalli
Date of Appointment including terms and conditions of appointment	He was originally appointed as Director in the Board meeting of the Company held on 26 th October, 2017 and his designation was changed and he acted as a Chairman, Managing Director up to 25 th April, 2019
Date of first appointment on the Board	26.10.2017
Date of Birth	21.05.1992
Expertise in Specific Functional areas and Experience	Mr. Dantapalli Rohit Reddy is a Graduate of Civil Engineering from Pennsylvania State University. His experience includes overseeing the progress of the construction work at all project sites in coordination with the project team. His experience also includes co-ordinating, leading and controlling the project activities, implementing production, productivity, quality, and customer-service standards, resolving operational problems, and identifying work process improvements.
Educational Qualification	Graduate of Civil Engineering
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than this Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None
Shareholding in the Company as on 31 st March, 2019 (including shareholding on beneficial basis)	None
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	8
II. Name of the Director	Mr. Vijaysen Reddy Dantapalli
Date of Appointment including terms and conditions of appointment	He was appointed as an Additional Director of the Company w.e.f 25 th April, 2019 and subject to the ratification of the shareholders of the company the board of Directors of the Company appointed him as Managing Director w.e.f 26 th April 2019.
Date of first appointment on the Board	25.04.2019
Date of Birth	03.12.1956
Expertise in Specific Functional areas and Experience	More than three decades of rich experience in construction industry at all levels including formulation of strategies
Educational Qualification	C.A Inter
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than this Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Nil
Share holding in the Company as on 31 st March, 2019	1,23,15,183
Relationship between Directors inter-se/ Manager and KMPs	Mr. Rohit Reddy Dantapalli, Director and Mr.Vijaysen Reddy Dantapalli are related to each other
Number of Meetings of the Board attended during the year	None

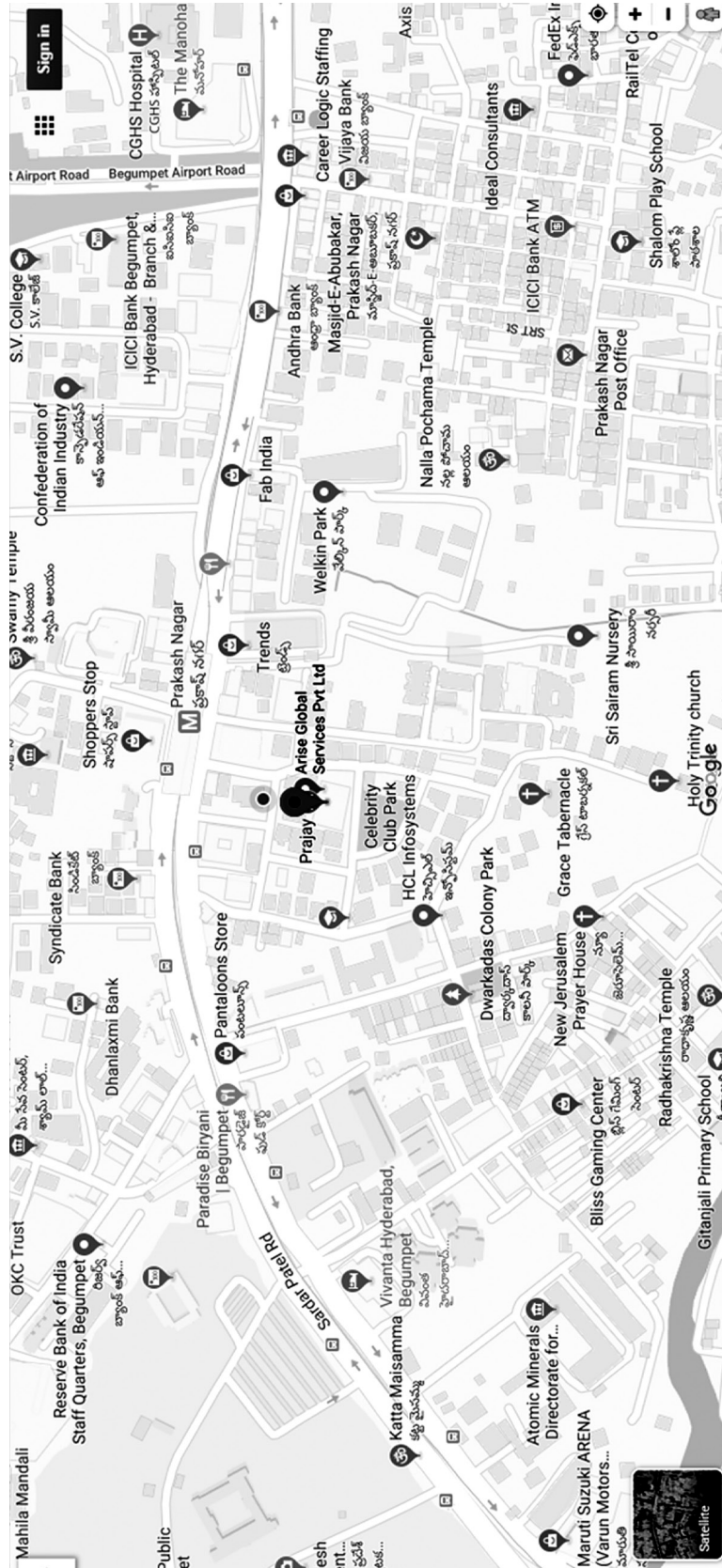
III. Name of the Director	Mr. Jaya Simha Reddy Lingam
Date of Appointment including terms and conditions of appointment	He was appointed as an Additional Director (Independent Category) in the Board meeting of the Company held on 14 th February, 2019
Date of first appointment on the Board	14.02.2019
Date of Birth	24.02.1972
Expertise in Specific Functional areas and Experience	Mr. Jayasimha Reddy Lingam is a retired Group-A officer in Tobacco Board, Ministry of Commerce and Industry, Govt. of India with an experience of 34 years and exposure in various fields such as Administration, Marketing, Electronic Auctions, Extension & Development fields.
Educational Qualification	Graduate
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than this Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	None (except Sitting Fees)
Shareholding in the Company as on 31 st March, 2019 (including shareholding on beneficial basis)	Nil
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	One Board Meeting

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

Sd/-
Vijaysen Reddy Dantapalli,
Chairman and Managing Director
DIN: 00291185

Place : Hyderabad
Date : 26.08.2019

ROUTE MAP FOR 25TH ANNUAL GENERAL MEETING



DIRECTORS' (BOARD) REPORT

To
The Members
Prajay Engineers Syndicate Limited (the "Company" or "PESL")

Your Directors are pleased to submit the 25th Annual Report of your Company together with the Audited Financial Statements (both Standalone and Consolidated) for the Financial Year (FY) ended 31st March, 2019 and report of the Statutory Auditors thereon. The Consolidated performance of the Company and its subsidiaries has been referred to wherever required.

FINANCIAL RESULTS:

Certain key aspects of your Company's performance (on Standalone & Consolidated basis) during the financial year ended 31st March, 2019, as compared to the previous financial year are summarized below:

(Amount in Rs. Lakhs except share data)

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
	Standalone	Consolidated	Standalone	Consolidated
Total Income	5161.87	5347.87	4114.44	4590.41
Total Expenditure	6549.86	6867.41	6163.38	6676.46
Interest	1541.07	1545.59	1855.86	1861.82
Depreciation	418.40	424.73	490.37	507.27
Profit/(Loss) before Prior period Items	(1387.99)	*(1492.54)	(2048.94)	** (2086.05)
Prior period adjustments/ Exceptional items	-	-	179.90	-
Share of Profit/loss of associates	-	-53.16	-	-238.97
Profit before Exceptional items and tax	(1387.99)	(1545.70)	(1869.04)	(2325.02)
Exceptional items				179.90
Current Tax	-	-	-	0.14
Prior period tax	-	-	(93.73)	(93.73)
Deferred Tax Change	(91.46)	(89.96)	172.27	169.79
Total Tax expenses	(91.46)	(89.96)	78.54	76.20
Profit/(Loss) after Tax/Profit for the year	(1296.53)	(1455.74)	(1947.58)	(2,221.32)
Other Comprehensive Income net of tax	(0.23)	(0.23)	(0.70)	(0.70)
Total comprehensive Income	(1296.76)	(1455.74)	(1948.28)	(2222.02)
EPS (Basic and as well as Diluted)18	(1.85)	(2.08)	(2.79)	(3.18)

NATURE OF BUSINESS

The Company is engaged in the activities of Real Estate Development, Construction Activities and Hospitality. During the financial year under review, there was no change in the nature of the business of the company.

REVIEW OF OPERATIONS

During the FY 2018-19, your company reported a consolidated turnover of Rs.5347.87 lakhs against Rs.4590.41 lakhs for the previous year and a loss of Rs.1455.74 lakhs as against Rs.2221.32 lakhs for the previous year.

The standalone turnover of your company for the year 2018-19 stood at Rs.5161.87 lakhs as against Rs.4114.44 lakhs. Total loss for the FY 2018-19 is 1296.53 lakhs as against Rs 1927.58 during 2017-18.

TRANSFER TO GENERAL RESERVES

No amount has been transferred to general reserves during the year under review.

DIVIDEND

In view of the loss incurred by the Company for the year under review, your Board of Directors do not recommend any dividend.

SUBSIDIARIES

As on 31st March, 2019 the Company has 3 (Three) subsidiaries viz; Prajay Holdings Private Limited (PHPL), Prajay Retail Properties Private Limited (PRPPL) and Secunderabad Golf and Leisure Resorts Private Limited (SGLRPL) and one step down subsidiary viz; Prajay Developers Private Limited (PDPL) and two Associates viz: Prajay Properties Private Limited (PPPL) and Genesis Capital Private Limited as on 31st March, 2019. PRPPL and SGLRPL are the wholly owned (100%) subsidiaries of the Company.

During the year under review, Secunderbad Golf and Leisure Resorts Private Limited has become 100% subsidiary by virtue of transfer of shares from the registered shareholders/ registered owners (who were holding shares for and on behalf of PESL) to PESL ("beneficial owner"). Secunderbad Golf and Leisure Resorts Private Limited was initially created as an SPV to implement tender for Secunderabad 18 holes golf course. There has been no material change in the nature of the business of the subsidiaries. The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with applicable Indian Accounting Standards (Ind AS), as specified under Section 133 of the Companies Act, 2013 (The Act) read with Rules made thereunder, forms part of this Annual Report.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VETURE COMPANIES

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

SHARE CAPITAL

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

DISCLOSURE UNDER COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES, 2014.

During the year under review, your company has not issued any equity shares with differential rights/sweat equity shares. Further the company has not grant/vest any employee stock option scheme/employee stock purchase schemes. Further at the beginning of the year there were no outstanding options granted. Hence, there is no requirement for disclosure under Companies (Share Capital and Debenture) Rules, 2014.

DISCLOSURES IN RESPECT OF VOTING RIGHTS NOT DIRECTLY EXERCISED BY EMPLOYEES

There are no shares held by trustees for the benefit of employees and hence no disclosure under Rule 16(4) of the Companies (Share Capital and Debentures), 2014 has been furnished.

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

Mr.Neelakantam Nageshwara Rao, Non-Executive Independent Directors resigned from the office of Director w.e.f 6th August, 2018 and Mr.Vijay Kishore Mishra, Non-Executive Independent Director resigned from the office of Director w.e.f. 10th August, 2018. Designations of Mr.Sumit Sen and Mr.Ravi Kumar Kutikalapudi were changed from Whole-time Director to Non-executive Director w.e.f 29th August, 2018.

In the Annual General Meeting held on 29th September, 2018, the shareholders regularized the appointment of Mr.Rohit Reddy Dantapalli and also his appointment as a Managing Director for a period of 3 years w.e.f. 15th November, 2017. However, Mr.Dantapally Rohit Reddy resigned from the offices of Chairman, Managing Director and CEO w.e.f 25.04.2019. He is continuing as a Non-Executive Director on the Board of the Company.

The appointment of Mr.Raghavender Reddy has been regularized in the Annual General Meeting held on 29th September, 2018 and he was provided with a term of 5 (five) consecutive years.

Mr.Sumit Sen, Non-executive Director resigned from the office w.e.f 14.11.2018. Pursuant to the provisions of Section 167(1) of the Companies Act, 2013 and Rules made there under the Office of Mr Rudresh, Non-executive Independent Director was vacated w.e.f 14.02.2019.

Mr.L. Jaya Simha Reddy was appointed as an Additional Director(Non-executive Independent Director) of the Company w.e.f 14.02.2019.

Mr.Vijaysen Reddy Dantapalli was appointed as Additional Director w.e.f. 25.04.2019. Subject to the ratification of shareholders, he was also appointed as Managing Director for a term of 3 years w.e.f 26.04.2019 without any remuneration.

Ms.Deevi Madhavi Latha, Company Secretary and Compliance Officer resigned from the office w.e.f 3rd August, 2018. Ms.Y.K. Priyadarshini was appointed as a Company Secretary and Compliance Officer w.e.f 29.08.2018.

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

In accordance with Section 152 of Companies Act, 2013, Mr.Rohit Reddy, Director of the Company, retires by rotation in the ensuing AGM to be held on 30th September, 2019, and being eligible offered himself for re-appointment. The Board recommends his re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013 and in relation to the audited financial statements of the Company for the year ended 31st March 2019, the Board of Director hereby confirms that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2018-19 and of the profit or loss of the Company for that period;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts for the year 2018-19 have been prepared on a going concern basis.
- e. Those proper internal financial controls were in place and that the financial controls are adequate and are operating effectively.
- f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD

The Nomination and Remuneration Committee of the Board has formulated a Performance Evaluation Framework, under which the Board of Directors has carried out an annual evaluation of its own performance, performance of all the board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter referred as "SEBI (LODR) Regulations").

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

BOARD DIVERSITY

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

CODE OF CONDUCT AND DECLARATION ON CODE OF CONDUCT

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

AUDIT COMMITTEE

An audit committee has been constituted in terms of Section 177 of Companies Act, 2013 and in terms of Regulation 18 of SEBI (LODR) Regulations. The composition and brief terms of the committee and its meetings etc. has been provided under Corporate Governance report which forms part of this board report. All the recommendations made by the Audit Committee were accepted by the Board.

ESTABLISHMENT OF VIGIL MECHANISM

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

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

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

NOMINATION & REMUNERATION COMMITTEE

A Nomination & Remuneration Committee has been in constituted in terms of Section 178 of Companies Act, 2013 and in terms of Regulation 19 of SEBI (LODR) Regulations. The composition and brief terms of the committee and its meetings etc. has been provided under Corporate Governance report which forms part of this board report. All the recommendations made by the Audit Committee were accepted by the Board.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The company has constituted a Corporate Social Responsibility Committee and details of the Committee have been provided under Corporate Governance Report, which forms part of this board report.

OTHER BOARD COMMITTEE(S)

For the details of other board committee(s), please refer the Corporate Governance report which is annexed to this board report.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

MEETINGS OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

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

MEETING OF INDEPENDENT DIRECTORS

During the financial year under review, in accordance with the provision of Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, separate meeting of Independent Directors of the Company held on 14th February, 2019 and the same has reported in the Corporate Governance Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director,

commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgments etc. Based on said criteria the entire Board will evaluate the performance of Independent Directors.

DECLARATIONS BY INDEPENDENT DIRECTORS

All Independent Directors have submitted declarations stating that they fulfill the criteria of independence as laid down under Section 149(6) of the Act and Securities and Exchange Board of India. In the opinion of the board, the independent directors fulfill the conditions specified in SEBI (LODR) Regulations and are independent of the management.

STATUTORY AUDITORS AND THEIR REPORTS

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

Emphasis matters in Statutory Auditor Reports for the year ended March 31, 2019

The audit report for the Financial Year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark or disclaimer or modified opinion. For Explanations/clarifications for the emphasis matters mentioned in Note Nos.41, 44 and 45 of Standalone Financial Statements and Note Nos. 37 ,41, 42 and 44 in Consolidated Financial Statements, please refer replies to the secretarial auditors remarks. With regard to Note Nos.39(a) 39(b) of the Standalone Financials and Note Nos. 35(a), 35(b) of Consolidated Financial Statements, there is an improvement in realization of amount when compared to previous financial year and the company is also putting its efforts to realize the remaining amounts. The reasons for not providing provision for interest on compulsorily convertible debentures as mentioned in Note No.35(c) to consolidated financial accounts are delay in completion of projects/zero bookings and due to the slump in the real estate market.

FRAUD REPORTING

During the year under review, no instances of fraud were reported by the Statutory Auditors of the Company.

INTERNAL AUDITOR

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

COST AUDIT/MAINTENANCE OF COST RECORDS

For the Financial Year ended 2018-19, your company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, in respect of the activities carried on by the company. However, Cost Audit as specified under rule 4 of the Companies (Cost Records and Audit) Rules, 2014 is not mandatory.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Company has appointed Mr.M. Ramana Reddy for and on behalf of P S Rao & Associates, Practicing Company Secretaries, as Secretarial Auditor, to undertake the Secretarial Audit of the Company for the Financial Year 2018-19.

The Secretarial Audit Report as required under provisions of Companies Act as stated above and also as required under Regulation 24 A of the SEBI (LODR) Regulations is annexed herewith to this Report as **Annexure- VII**.

For the financial year ended 2018-19 Prajay Holdings Private Limited meets the criteria as specified under Regulation 16(1) of SEBI (LODR) Regulations. Hence, the Secretarial Audit Report of Prjay Holdings Private Limited as required in terms of Regulation 24A of above stated regulations is annexed herewith to this Report as **Annexure- VIII**.

REPLIES TO OBSERVATIONS OF SECRETARIAL AUDITOR OF PESL

Most of the observations made by the Secretarial Auditor are self-explanatory. However, the explanations are as below.

Mrs.D.Hymavathi Reddy, a promoter shareholder filed a criminal complaint against the company and others based on the same, the Hon'ble XVII Additional Chief Metropolitan Magistrate, Nampally Hyderabad, Telangana had issued a Search Warrant pursuant to which the Station House Officer, PS Jubilee Hills, Hyderabad carried out a search at Registered Office of the Company and its Subsidiaries and Associates and residence of Managing Director and Employee(s) and other premises of the company and seized the physical and electronic documents and data backups, hard disks and server etc. Your company has taken and/or taking appropriate legal measures to bring back the data and/or to retrieve the data. Further Mrs.D.Hymavathi Reddy, promoter shareholder filed writ petitions filed by making Registrar of Companies as a respondent. In view of these writ petitions, Registrar of Companies not taken on record certain E-forms. Due to the non- availability of data and due to the other reasons as stated above, the company was not able to file returns and e-forms. However, a family settlement was entered between the promoters and the execution is under process. The said family settlement was entered with a condition that, subject to the execution of the agreement, to withdraw all cases filed by Mrs.D.Hymavathi Reddy. Mrs.D.Hymavathi Reddy has withdrawn the writ petitions pursuant to family settlement between promoters. Hence, the company is now taking steps to file all the pending forms and returns.

Your company has submitted the Audited Financial Results (both Standalone and Consolidated) for the Financial Year ended 31st March, 2019 on 14th August, 2019. Company has complied the applicable SEBI Circular(s) in this regard. Your company has also paid fine for the said delay and requested the stock exchanges for the waiver of the fine under carve-out policy.

Your company is also taking requisite legal measures to address the allegations made in the demand notice issued under name of Prajay Properties Private Limited (as associate of the Company) under the signature of Investor Nominee Director of Prajay Properties Private Limited.

During the financial year under review company has not transferred any shares to IEPF authority. However, during the month of July, 2019 pursuant to the directions of the IEPF authority company has transferred the 34103 (Thirty-Four Thousand One Hundred and Three) equity shares in respect of which the dividend has not been claimed for seven consecutive years. The members can claim the transfer of such shares from IEPF in accordance with the procedure and on submission of the documents as prescribed from time to time. Additionally, the details have also been uploaded on the website of the Company.

The deposit amount approx. Rs.1,38,617/- (including interest) as referred in the report is the unclaimed deposit amount pertaining to previous financial years (i.e. FY 2012 and/or 2013) which was not claimed by the depositors (whose addresses are not traceable). This amount will be transferred to IEPF within the prescribed time period.

REPLIES OF PRAJAY HOLDINGS PRIVATE LIMITED (PHPL) W.R.T TO OBSERVATION OF SECRETARIAL AUDITOR OF PHPL

PHPL has issued all the notices of Board Meetings/General Meetings. As per the Investment Agreement entered with the Investors, the Promoters/Promoter Representatives on the board are responsible for day to day administration of the company. To comply with the Companies Act requirements, company has conducted the meetings by issuing notices to all entitled persons. However, the Investor Nominee Directors/representative have not been attended the board/general meetings by disputing the constitution of the board. Further, the Investors namely Whitestock Limited filed a Company Petition in National Company Law Tribunal, Hyderabad. The PHPL and other concerned parties are in the process of reaching a settlement with Investors.

Mrs.D.Hymavathi Reddy, a promoter shareholder filed a criminal complaint against the parent company and others based on the same, the Hon'ble XVII Additional Chief Metropolitan Magistrate, Nampally Hyderabad, Telangana had issued a Search Warrant pursuant to which the The Station House Officer, PS Jubilee Hills, Hyderabad carried out a search at Registered Office of the parent company and its subsidiaries and associate including(PHPL) and residence of Managing Director and Employee(s) and other premises of the parent company and seized the physical and electronic documents and data backups, hard disks and server etc.

PHPL has taken and/or taking appropriate legal measures to bring back the data and/or to retrieve the data. Further Mrs.D. Hymavathi Reddy, promoter shareholder filed writ petitions filed by making Registrar of Companies as a respondent. In view of these writ petitions, Registrar of Companies not taken on record certain E-forms. Due to the non-availability of data and due to the other reasons as stated above, the company was not able to file returns and e-forms. However, a family settlement was entered between the promoters and the execution is under process. The said family settlement was entered with a condition that, subject to the execution of the agreement, to withdraw all cases filed by Mrs.D.Hymavathi Reddy. Mrs.Hymavathi Reddy has withdrawn the writ petitions pursuant to family settlement between promoters. Hence, the company is now taking steps to file all the pending forms and returns. PHPL is also taking appropriate legal measure to address aforesaid legal issues.

PHPL was not able to pay the coupon payments due to the delay in completion of projects/zero bookings due to the slump in the real estate market.

PHPL has submitted requisite documents sought by the Joint Director, Enforcement Director, Hyderabad Zonal Office and taking appropriate action in this regard.

The Debenture application money was subscribed by the Whitestock Limited. PHPL was not able to allot the said debentures as there were delays in meeting timelines/conditions as per the investment agreement. However, The PHPL and other concerned parties are in the process of reaching a settlement with investors.

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

Your Company has in place the Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressed) Act, 2013.

Internal Complaints Committee:

Internal Complaints Committee (ICC) has been set up under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressed) Act, 2013.

To redress complaints received regarding sexual harassment. Your company has been complied with the provisions relating to the constitution of ICC. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year under review, the Company has not received any complaint on sexual harassment. In compliance with the with the notification for registration Internal Complaints Committee (ICC) pursuing to provisions of section 4 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressed) Act, 2013. Your company has registered the Internal Complaints Committee (ICC) on T-She Portal with the department of women development and child welfare, government of telangana.

POLICY ON MATERIAL SUBSIDIARIES

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report as required under Regulation 34 & Schedule V of SEBI (LODR) and enclosed as **Annexure- IV** to this Directors (Board) Report.

CORPORATE GOVERNANCE

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

EXTRACT OF ANNUAL RETURN

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

PUBLIC DEPOSITS

During the Financial Year 2018-19, your Company has not accepted any deposit that falls within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. Further there are no amounts outstanding as at the beginning of Financial Year 2018-19 which can be classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014 and hence, the requirement for furnishing of details of deposits which are not in compliance

with the Chapter V of the Companies Act, 2013 is not applicable. However, an amount of Rs. 1,38,617/- (including interest) remains unclaimed by the previous depositors.

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

The details of loans given, investments made, guarantees given and securities provided during the year under review pursuant to Section 186 of the Act are available under notes to the standalone financial statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 and Pursuant to SEBI (LODR) Regulations are given in Form AOC-2 and forms part of this Directors (Board) Report as **Annexure-I** and under Note 28 to financial accounts.

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

There are no significant material orders passed by the regulators/courts/tribunals which would impact the going concern status of your Company and its future operations. However, Mrs. D. Hymavathi Reddy filed a criminal complaint against the company and others based on the same. The Hon'ble XVII Additional Chief Metropolitan Magistrate, Nampally Hyderabad, Telangana had issued a Search Warrant pursuant to which the Station House Officer, PS Jubilee Hills, Hyderabad carried out a search at Registered Office of the Company and its Subsidiaries and Associates and residence of Managing Director and Employee(s) and other premises of the company and seized the physical and electronic documents and data back-ups, hard disks and server etc. The company has given necessary disclosures to the stock exchanges in this regard, for the information of the shareholders. The company has taken appropriate legal measures and filed quash petition for the same. Further a family settlement was entered between promoters and/promoter group and the execution is under process. The said family settlement was entered with a condition that, subject to the execution of the agreement, to withdraw all cases filed by Mrs.D.Hymavathi Reddy.

Petition filed by Investors of Subsidiary and Associates Companies

A Petition was filed against M/s Prajay Holdings Private Limited, a subsidiary company under Section 241, 242 and/or other applicable provision of the Companies Act, 2013 before National Company Law Tribunal, Hyderabad by Whitestock Limited, a foreign shareholder of the company Vide CP No.468/241/HDB/2018. Prajay Engineers Syndicate Limited was made as one of the respondent to the said petition.

A Petition was filed against M/s Prajay Properties Private Limited, a subsidiary company under Section 241, 242 and/or other applicable provision of the Companies Act, 2013 before National Company Law Tribunal, Hyderabad by Belclare Limited, a foreign shareholder of the company Vide CP No.466/241/HDB/2018 and Prajay Engineers Syndicate Limited was made as one of the respondent to the said petition. Your company is taking appropriate measures to address the said matters. The concerned parties are in the process of reaching a settlement with the said investors.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments in the business operations of the company for the financial year ended 31st March, 2019 and to the date of signing of the Director's Report.

CHANGE IN THE NATURE OF BUSINESS

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

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

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

RISK MANAGEMENT

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

The Company is mainly exposed to market risk, credit risk and liquidity risk. The company has a risk management policy and framework to identify, evaluate business risks and opportunities. This framework seeks to create

transparency, minimize adverse impact on the business objectives, and enhance the Company's competitive advantage. This framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

INDUSTRIAL RELATIONS

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

LISTING AT STOCK EXCHANGES

The equity shares of your Company are listed on NSE and BSE (the stock exchanges). The listing fee has been paid for the year 2018-19.

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

As required by Reg. 17(8) of SEBI (LODR) Regulations, certification on the Financial Statements and the Internal Control Systems for financial reporting has been obtained from Mr. Vijaysen Reddy Dantapalli Chairman and Managing Director and Mr. Bhaskara Rao Patnana – Chief Financial Officer of the company and the same was reviewed by the Board of Directors and is annexed to the Corporate Governance Report.

HUMAN RESOURCES

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

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

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the board
Prajay Engineers Syndicate Limited

Sd/-
Vijaysen Reddy Dantapalli
Chairman
DIN: 00291185

Place : Hyderabad
Date : 26.08.2019

Annexure - I
FORM NO. AOC-2

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

For the financial year ended 31st March 2019.

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

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

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

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

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

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

For and on behalf of the Board
Prajay Engineers Syndicate Limited

Sd/-
Vijaysen Reddy Dantapalli
Chairman
DIN: 00291185

Place : Hyderabad
Date : 26.08.2019

Annexure-II

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

For the financial year ended 31st March 2019

A. CONSERVATION OF ENERGY

I. A Steps taken for conservation of energy:

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

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

- (i) We are in planning of using Solar energy systems for street lighting, garden lighting & power to common loads like water pumps, fire pumps & basement ventilation fans which consume more energy
- (ii) DG power supply is one more alternative source of power supply to the premises in case of either shortage of power supply or in case of power failures. Even these generators are also of low emission with high efficiency alternators and engines to give longer span of life
- (iii) Commitment to a minimum level of certification under a green building rating will ensure that our customers are able to enjoy the benefits of clean fuels and lower energy bills.
- (iv) Innovative and intelligent planning and energy modeling is a core feature of our design practices. Orientation of our buildings coupled with appropriate fenestration significantly decreases the energy requirements for cooling and lighting.
- (v) Solar rooftop reduces the energy requirement for common area lighting Solar water heating reduces the energy requirement for hot water in residential buildings.

III. The capital investment on energy conservation equipment's, if any:

There was no capital investment made on energy conservation equipment's during the year under review.

B. TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption

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

(b) Process Initiatives:

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

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

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

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year 2018-19, there was no expenditure in foreign currency. The Company has not earned any foreign exchange during the year.

For and on behalf of the Board
Prajay Engineers Syndicate Limited

Sd/-

Vijaysen Reddy Dantapalli
Chairman
DIN: 00291185

Place : Hyderabad
Date : 26.08.2019

Annexure-III

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

For the financial year ended 31st March 2019.

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: **Not Applicable, as no director is in receipt of any remuneration except sitting fee, during the financial year under review.**
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **Not Applicable.**
- The number of permanent employees on the rolls of company : 75
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **Not Applicable, as there is no increase in remuneration of employees, no managerial remuneration was paid**
- Affirmation that the remuneration is as per the remuneration policy of the company: **Not applicable as no managerial remuneration was paid during the financial year under review. However the sitting fee paid to the non-executive directors is in conformity with the nomination and remuneration policy.**
- During the financial year under review, no employee of the company is in receipt of the remuneration as specified Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014
- List of top ten employees during the Financial Year 2018-19

Name	Age	Qualification	Designation	Date of Commencement of Employment	Experience (Years)	Gross Remuneration per month
Mr. Samir De	52	B.Tech (Civil)	Manager -Projects	February, 2012	27	119791
Y.K. Priyadarshini	45	MBA, ACS (ICSI)	Company Secretary	July 2018	10	106000
Mr. P Bhaskar Rao	62	B.com, LLB, ICWAI	Chief Financial Officer	January, 2012	27	93500
Mr.Nowsolla Sanjeevaiah	44	B.Tech (Civil)	Project Manager	July, 2016	13	75300
Mrs. Deevi Madhavi Latha	45	Company Secretary (ICSI)	Company Secretary	April, 1997	22	75600
Mrs. P Purnima	53	B Com	Executive Assistant to CMD	December, 1994	25	65520
Mr. Raman Madhi Alagan	55	B.Tech (Civil)	AGM	August, 2015	27	64400
Mr. P. Madhusudan	39	B.A	Senior Sales Manager	April, 2012	16	62300
Mr G.V.N. Mohan	48	B.E	Chief Facilities Manager (CFM)	August 2014	15	54000
KPVN Suresh	49	Diploma in Civil Engineering	Project Manager	October 1993	26	50295

on behalf of the Board
Prajay Engineers Syndicate Limited

Sd/-
Vijaysen Reddy Dantapalli
Chairman
DIN: 00291185

Place : Hyderabad
Date : 26.08.2019

Annexure-IV

MANAGEMENT DISCUSSION & ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Over view of the Real Estate Industry

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. The Indian real estate market is expected to touch US\$ 180 billion by 2020.

Market Size

Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent of the country's GDP by 2025. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

FY 2018-19

Though the Indian real estate sector witnessed a slew of structural transformations led by Real Estate (Regulation and Development) Act, 2016, Demonetization and GST etc., on the other end, these measures have helped in discouraging speculators, strengthen the home-buyer sentiment and laid foundation for healthy end user. With these unprecedented events developers community also started to stabilize and find its footing.

Backed by positive economic fundamentals, healthy demand and quality supply infusion across sectors, regulatory measures the real estate segment grew by 76% YOY in terms of units launched in the calendar year 2018 and a modest of 6% YOY growth in sales and poised for strong growth in 2019.

The country's commercial realty segment, however continues to enjoy increased capital flows. This sector witnesses the advent of new niche markets comprising co-working spaces, warehousing, student housing and senior living,

The launch of Real Estate Investment Trusts (REITs) in India has helped to institutionalize the commercial sector.

Further the government remains committed to enhance the role of affordable housing, strengthening its housing for all commitment. In the recent past this industry segment was encouraged through infrastructure status, refinancing options and tax incentives

Hospitality industry

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. During the period April 2000-March 2019, the hotel and tourism sector attracted around US\$ 12.35 billion of FDI, according to the data released by Department for Promotion of Industry and Internal Trade (DPIIT). The sector is predicted to grow at an annual rate of 6.9% to USD 490 billion by 2028 (9.9% of GDP), which should result in good demand and high growth for the hospitality industry. The hospitality sector is expected to grow by 9% to 10% in next 5 years mainly due to high domestic demand and a muted supply. This will further get boosted due to robust corporate performance and increase in air connectivity to more destinations within the country and higher appetite for domestic leisure travel. The steady improvement suggest a strong outlook for the hospitality sector, which is showing all signs of revival and expected to grow in mid to long run.

2. OPPORTUNITIES, THREATS & CHALLENGES

A. Opportunities:

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

Your company's well accepted brand, customer centric approach, well designed projects in strategic locations makes it a preferred choice for the customers and favorably benefit the company.

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

B. Threats & Challenges:

The real estate sector has been facing a number of issues. Despite the real estate sector contributing the third highest share to the Indian economy, the share in outstanding loans from banks to the sector is extremely low. Regulatory environment, substantial procedural delays with regard to land acquisition, land use, project launches and construction approvals, rising cost of construction, policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector. Higher rates of statutory fees and other taxes inflate the cost of construction, making affordable housing projects financially unviable for the private sector developers. Shortage of manpower, unsold stock, scarcity of urban land and clear titles are other threats /challenges.

3. SEGMENT WISE-PRODUCT WISE PERFORMANCE:

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

Prajay Waterfront City situated at Murharpally Village, Shamirpet

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

The Phase II of Prajay Waterfront City was announced two years back under Central Government Scheme, Pradhan Mantri Awas Yojana (PMAY) to facilitate the home buyers from the Low and Middle Income groups to get additional benefits announced by the Government of India. We have got a tremendous response for the project with 500 independent houses booked and the construction is in progress. The phase 2 infrastructure works are 80% completed. RCC foundation of 50% houses, RCC slab for 25% houses are completed. Finishing activities in the houses - like plumbing, electrical, flooring etc are going on in 25% houses in various stages.

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

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

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

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

Eight Towers (No.12, 17, 18, 19, 20, 13, 16&15) have been handed over and more than 700 families started staying. The remaining Tower No 14 is also ready and 10 flats out of 95 flats in this tower are handed over. The entire first phase will be handed over by December 2019 including all infra structures and amenities.

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

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

4. RISKS AND CONCERNS

Your company is exposed to a number of risks such as economic, regulatory, taxation and environments risks as well as sectoral investment outlook. Some risks that may arise in the normal course of business that could impact its ability to address the future development comprise credit risk, liquidity risk, counterparty risk, regulator y risk, commodity inflation risk and market risk.

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

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

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

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

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

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

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

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

6. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Revenue / loss from Operations: The company's revenues are increased to 4678.57 Lakhs during the year as against Rs. 3,662.16 Lakhs during the previous year, with an increase of Rs. 1016.42 Lakhs.

EBIDTA: EBIDTA stood at 571.48 lakhs with an increase of 274.19 compared to previous financial year.

The company has incurred a loss of Rs. 1,948.28 Lakhs during the financial year as against a loss of Rs. 2,150.36 Lakhs for the corresponding previous year. The basic earnings per share stood at Rs. (1.85) for the current financial year as against Rs. (2.79) for the previous financial year.

Shareholders' funds:

There is no change in the capital structure of the company during the year under review and the net worth of the company stands at a comfortable position of Rs. 57531.97 Lakhs.

Loan Funds:

The company continues to get the support from its bankers and financial institutions. The secured loans from banks stood at Rs. 25368.59 Lakhs at the end of the financial year.

RATIOS:

Debtors Turnover Ratio

Debtors turnover ratio for the financial year 2018-19 is 0.24 as against 0.18 for the financial year 2017-18. The improvement in the ratio is an indication of better collection from customers as compared to previous year on account of closure and frequent interaction with customers and convincing them the importance of delivery which is dependent on payment also.

Inventory Turnover Ratio

Inventory turnover ratio for the financial year 2018-19 is 0.09 as against 0.07 for the financial year 2017-18. There is good improvement in inventory levels and hence marginal improvement in the ratio.

Interest Coverage Ratio

Interest coverage ratio for the financial year 2018-19 is 0.10 as against (0.01) for the financial year 2017-18. The company has cleared major portion of bank loans during the year and hence its ability to service the interest has improved.

Current Ratio

Current ratio for the financial year 2018-19 is 1.06 as against 1.12 for the financial year 2017-18. Some of the loans which were non-current during the previous year have become due within twelve months for the current year. The ratio has become marginally weak in spite of loan repayments.

Debt Equity Ratio

Debt equity ratio for the financial year 2018-19 is 0.42 as against 0.44 for the financial year 2017-18. Interest (Composite) burden on the company has weakened the ratio marginally as compared to previous year.

Operating Profit Margin(%)

Operating profit margin percentage for the financial year 2018-19 is 2.97 as against 4.69 for the financial year 2017-18. The overall performance of the company has improved on account of growth in market, improvement in marketability of company's inventory.

Net Profit Margin(%)

Net profit margin percentage for the financial year 2018-19 is (25.12) as against (47.35) for the financial year 2017-18. The net profit of the company is improved on account of growth in market, sales and cost reduction measures taken up by the company without affecting quality.

Return on Networth

Return on Networth for the financial year 2018-19 is (18.54) as against (27.86) for the financial year 2017-18. The overall financial performance of the company is improved and losses are reduced as compared to previous year on account of improved marketability of company's inventory, land/plot sales and cost reduction measures taken up which in turn improved the utilisation of share holders funds.

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

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

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

8. OUTLOOK

Post implementation of The Real Estate (Regulation and Development) Act, 2016 (RERA), developers are focusing firmly on selling their existing ready inventory and finishing their near completion projects rather than launching new projects. With several smaller realty developers interested in either monetizing their land parcels on outright basis or entering into joint development or development management agreements, your company believes that RERA shall result in a consolidation in the sector.

Overall, the Real Estate sector is showing growth as compared to last year. Consequently, the Indian real estate sector will emerge stronger, healthier and capable of long periods of sustained growth, provided adequate policy/regulatory support, their land parcels on outright basis or entering into joint development or development management agreements.

CAUTIONARY STATEMENT

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

For and on behalf of the board
Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 26.08.2019

Sd/-
Vijaysen Reddy Dantapalli
Chairman
DIN: 00291185

Annexure-V

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Code of Governance

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

Your company's philosophy on corporate governance overseas business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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

2. Board of Directors

Composition of the Board

As on 31st March, 2019 PESL Board consists of one Executive Director, one Non-Executive Non-Independent Director and three Non-Executive Independent Directors including one Woman Independent Director. The Chairman of the Board is Executive Director. As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

The Independent Directors of the Company are in compliance with the provisions of Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfills the conditions specified in Listing Regulation and are independent of the management. Further, the disclosures have been made by the Directors regarding their chairmanships/memberships of the mandatory committees of the Board the details are as given below.

Board Meetings

During the financial year under review, **8 (eight)** Board Meetings were held. The dates on which the Board meetings were held are **30.05.2018, 14.08.2018, 29.08.2018** (Two board meetings were held on same day), **26.10.2018, 14.11.2018, and 14.02.2019** (Two board meeting were held on the same day). Proceedings of such meetings were duly recorded.

Independent Directors Meeting

The Independent Directors conducted and held a meeting on 14th February, 2019, without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter-alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole and also evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Core Competencies of the Board

In terms of the requirements of the SEBI (LODR) Regulations, the Board has identified the list of core skills/expertise/competencies as required in the context of Company's business(es) and sector(s) for it to function effectively. Broadly, the essential skill sets identified by the Board are categorized as under.

No	Skills/Expertise/Core Competencies
1	Understanding of macro environment particularly economic, political and social factors, Project Management.
2	Knowledge of the industry and experience - real estate and hospitality sector
3	Knowledge of company's business
4	Strategic inputs on corporate, financial and operating matters
5	Entrepreneurship and capability to adapt to new business environment
6	Developing the strategies, marketing skills
7	Project Development and Project Management
8	Asset/ Inventory Management
9	Functional expertise – financial, tax, accounting matters
10	Co-ordinating, leading and controlling the project activities, and implementing production, productivity, quality, and customer-service standards, resolving operational problems, and identifying work process improvements etc

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

Name	DIN	Category	No of Board Meetings Entitled During the year	No of Board Meetings attended	No. of directorships held in other Indian public limited companies	#No. of Chairmanships/ Memberships held in committees of other Indian public limited companies	Number of shares/ convertible instruments held	Whether attended the Annual General Meeting held on 29.09.2018
*Mr. Rohit Reddy Dantapalli	07560450	Chairman and Managing Director and CEO	8	8	0	0	0	Yes
**Mr. Ravi Kumar Kutikalapudi	02789546	Non-executive Director	8	8	0	0	50000	Yes
***Mr. Nageshwar Rao Neelakantam	00992324	Non-Executive - Independent Director	1	0	0	0	500	NA
****Mr. Sokke Kaliveerappa Rudresh	01033473	Non-Executive - Independent Director	6	0	0	0	0	No.
*****Mr. Sumit Sen	01028417	Whole-time Director	8	6	0	0	1468693	Yes
*****Mr. Vijay Kishore Mishra	00995683	Non-Executive - Independent Director	1	0	0	0	1063034	NA
Mrs. Padmaja Kota	07543055	Non-Executive - Independent Director	8	7	0	0	0	Yes
*****Mr. Raghavender Reddy Marpadaga	06936544	Non-Executive - Independent Director	8	8	0	0	##	Yes

* *Mr. Rohit Reddy Dantapalli's appointment has been regularized as a Director w.e.f 29.09.2018. He resigned for the position of Chairman and Managing Director and CEO w.e.f. 25.04.2019.*

** *The Designation of Mr. K. Ravi Kumar has been changed from Executive Director to Non- Executive Director w.e.f 29.08.2018.*

*** *Nageshwar Rao Neelakantam has resigned from the office of the Director w.e.f 06.08.2018*

**** *The office of Mr. Sokke Kaliveerappa Rudresh as director has been vacated w.e.f 14.02.2019*

***** *The Designation of Mr. Sumit Sen has been changed from Executive Director to Non-executive Director w.e.f.29.08.2018. However, he has resigned w.e.f. 14.11.2018.*

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

***** *The Appointment of Mr. Raghavender Reddy Marpadaga has been regularized with effect from 29.09.2018 and has been provided a term of 5 (five) years.*

Committee positions mentioned above refers to the Audit Committee and the Stakeholders Relationship Committee in Public Companies.

Mr. Raghavender Reddy is jointly holding 234192 (as a second shareholder) equity shares.

No director of the company is holding any chairmanships/ membership(s) in any other public limited companies of India.

As on 31.03.2019, No Director is related to any other Director on the Board. However, Mr. D.Vijaysen Reddy was appointed as Director w.e.f. 25.04.2019. Mr. D.Rohit Reddy and Mr. D.Vijaysen Reddy are related to each other.

None of the Independent Directors has any pecuniary relationship, transaction or association with the Company, which adversely affect their independence.

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

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

Mr. Rohit Reddy Dantapalli - Non-executive Director

Name of the Director	Mr. Rohit Reddy Dantapalli
Date of Appointment including terms and conditions of appointment	He was originally appointed as Additional Director in the Board meeting of the Company held on 26 th October, 2017 and he was appointed as Chairman and Managing Director w.e.f 15.11.2017. His appointment(s) were ratified and/or approved by the shareholders in the Annual General Meeting held on 29.09.2018. However, he resigned for the position of Chairman and Managing Director and CEO w.e.f 25.04.2019 and according his designation was changed from Executive Director to Non-executive Director.
Date of first appointment on the Board	26.10.2017
Date of Birth	21.05.1992
Expertise in Specific Functional areas and Experience	Mr. Dantapalli Rohit Reddy is a Graduate of Civil Engineering from Pennsylvania State University. His experience includes overseeing the progress of the construction work at all project sites in coordination with the project team. His experience also includes co-ordinating, leading and controlling the project activities, implementing production, productivity, quality, and customer-service standards, resolving operational problems, and identifying work process improvements.
Educational Qualification	Graduate of Civil Engineering
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	NA
Shareholding in the Company as on 31 st March, 2019 (including shareholding on beneficial basis)	Nil
Relationship between Directors inter-se/Manager and KMPs	Mr. Rohit Reddy Dantapalli, Director and Mr.Vijaysen Reddy Dantapalli are related to each other
Number of Meetings of the Board attended during the year	8 (eight) board meetings

Mr. Vijaysen Reddy Dantapalli

Name of the Director	Mr. Vijaysen Reddy Dantapalli
Date of Appointment including terms and conditions of appointment	He was appointed as Additional Director of the Company w.e.f 25 th April, 2019 and subject to the ratification of the shareholders of the company the board of Directors of the Company appointed him as Managing Director w.e.f 26 th April 2019.
Date of first appointment on the Board (for the current term)	25.04.2019
Date of Birth	03.12.1956

Expertise in Specific Functional areas and Experience	More than three decades of rich experience in construction industry at all levels including formulation of strategies
Educational Qualification	C.A Inter
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	NA
Share holding in the Company as on 31 st March, 2019	1,23,15,183
Relationship between Directors inter-se/ Manager and KMPs	Mr. Rohit Reddy Dantapalli, Director and Mr. Vijaysen Reddy Dantapalli are related to each other
Number of Meetings of the Board attended during the year	NA

Mr. Jaya Simha Reddy Lingam

Name of the Director	Mr. Jaya Simha Reddy Lingam
Date of Appointment including terms and conditions of appointment	He was appointed as an Additional Director (Independent Category) in the board meeting of the company held on 14th February, 2019.
Date of first appointment on the Board (for the current term)	14.02.2019
Date of Birth	24.02.1972
Expertise in Specific Functional areas and Experience	He is a retired Group-A officer in Tobacco Board, Ministry of Commerce and Industry, Govt. of India with the experience of 34 years and exposure in various fields such as Administration, Marketing, Electronic Auctions, Extension & development fields.
Educational Qualification	Graduate
Directorships in other Companies	None
Membership/Chairmanships of committees of Other Boards (other than the Company)	None
Details of Remuneration sought to be paid and the remuneration last drawn by such person	NA
Share holding in the Company as on 31 st March, 2019 (including shareholding on beneficial basis)	Nil
Relationship between Directors inter-se/ Manager and KMPs	None
Number of Meetings of the Board attended during the year	One board meeting

Subsidiary Monitoring Mechanism:

The minutes of the Board meetings of the subsidiary companies are placed before the meeting of Board of Directors of the Company.

Prajay Holdings Private Limited is material subsidiary of the Company. As per the provisions of the SEBI (LODR) Regulations. Pursuant to the explanation given to Regulation 24 of aforesaid Regulations, the company is not required to appoint independent director on the board of Prajay Holdings Private Limited.

The company has formulated a policy for determining "Material Subsidiaries" and the same has been posted on Company's website @www.prajayengineers.com/investors.

3. COMMITTEES OF THE BOARD:

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

A. AUDIT COMMITTEE:

Audit Committee comprises of 4 (Four) members with Independent Directors forming majority. During the year there are no instances where the Board had not accepted the recommendations of the Audit Committee. In addition to other terms as may be referred by the Board of Directors, the Audit Committee has the power inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice. The committee shall review the utilization of loans and/or advances from/investments by the holding company exceeding rupees 100 crore or 10% asset size of the subsidiary whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

During the financial year, Four (4) Audit Committee meetings were held i.e. on 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019.

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

Name	Designation	Category	No. of Meetings Entitled to Attend	No. of Meetings Attended
*Mr. Raghavender Reddy Marpadaga	Chairman	Non-Executive - Independent Director	4	4
**Mr. Vijay Kishore Mishra	Chairman	Non-Executive - Independent Director-Chairman	1	0
Mrs. Padmaja Kota	Member	Non-Executive - Independent Director	4	4
***Mr. Nageshwar Rao Neelakantam	Member	Non-Executive - Independent Director	1	0
****Mr. Sokke Kaliveerappa Rudresh	Member	Non-Executive - Independent Director	3	0
*****Mr. Sumit Sen	Member	Non-Executive - Director	1	0
***** Mr. L. Jaya Simha Reddy	Member	Non-Executive - Independent Director	1	1
***** Mr. Ravi Kumar Kutikalapudi	Member	Non-Executive - Director	1	1

* Mr. Raghavender Reddy appointed as Chairperson of Audit Committee w.e.f 29.08.2018

** Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018 and accordingly ceased to be a member of the Committee.

*** Mr. Nageshwar Rao Neelakantam has resigned from the office of the Director on 06.08.2018 and accordingly ceased to be a member of the Committee.

**** Office of Mr. Sokke Kaliveerappa Rudresh as director of the company has vacated w.e.f 14.02.2019 in accordance with the provisions of 167 of the Companies Act, 2013 and Rules made thereunder and accordingly ceased to be a member of the Committee.

***** Mr. Sumit Sen was appointed as members of the committee w.e.f.29.08.2018, however he resigned w.e.f 14.11.2018 and accordingly ceased to be a member of the Committee.

***** Mr. L. Jaya Simha Reddy was appointed as member of the committee w.e.f 14.02.2019

***** Mr. Ravi Kumar Kutikalapudi was appointed as member of the committee w.e.f 14.02.2019

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

B. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 the Board of Directors Constituted Nomination and Remuneration Committee, The Nomination and Remuneration Committee will oversee the company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the Annual General Meeting of the shareholders. Nomination and Remuneration Committee is required to recommend to the Board, all remuneration, in whatever form payable to senior management. During the financial year under review meetings of Nomination and Committee were held on 29.08.2018, and 14.02.2019.

Details of the composition of the Committee

Name	Designation	Category	No. of Meetings Entitled to Attend	No. of Meetings Attended
*Mr. Raghavender Reddy Marpadaga	Chairman	Non-Executive - Independent Director	2	2
**Mr. Vijay Kishore Mishra	Chairman	Non-Executive - Independent Director	NA	NA
***Mr. Nageshwar Rao Neelakantam	Member	Non-Executive - Independent Director	NA	NA
****Mrs. Padmaja Kota	Member	Non-Executive - Independent Director	2	2
***** Mr. D.Rohit Reddy	Member	Non-Executive Director (Executive Director up to 25.04.2019)	2	2
***** Mr. Ravi Kumar Kutikalapudi	Member	Non- executive Director	NA	NA
*****Mr. L.Jaya Simha Reddy	Member	Non-Executive - Independent Director	NA	NA

* Mr. Raghavender Reddy appointed as Chairperson of the Nomination and Remuneration Committee w.e.f 29.08.2018

** Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018 and accordingly ceased to be a member of the Committee.

*** Mr. Nageshwar Rao Neelakantam has resigned from the office of the Director on 06.08.2018 and accordingly ceased to be a member of the Committee.

**** Mrs. Padmaja Kota was appointed as member of the committee w.e.f 29.08.2018

***** Even though Mr. D. Rohit Reddy is an Executive Director, being chairperson of the company he was appointed as member of the committee w.e.f 29.08.2018 pursuant to provisions of Regulation 19(2) of SEBI (LODR) Regulations. However, he was resigned for the positions of Chairman, Managing Director and CEO and accordingly he ceased to be a member of the committee.

***** Mr. Ravi Kumar Kutikalapudi was appointed as member of the Committee w.e.f 14.11.2018 and ceased to be member w.e.f 14.02.2019

***** Mr. L.Jaya Simha Reddy was appointed as member of the committee w.e.f 14.02.2019

Nomination and Remuneration Policy has been framed with below stated objectives as recommended by the Nomination & Remuneration Committee jointly with the Human Resources Department of the Company and adopted by the Board of Directors. The said policy is available under weblink www.prajayengineers.com/investors.

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

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the Board Committees and Directors (including Independent Directors) which inter-alia includes the following:

- a. Quality, quantity and timeliness of flow of information to the Board.
- b. Opportunity to discuss matters of critical importance, before decisions are made.
- c. Familiarity with the objects, operations and other functions of the Company.
- d. Level of monitoring of Corporate Governance Regulations and compliance.
- e. Involvement of Board in Strategy evolution and monitoring.
- f. Performance of the Chairperson of the Company including leadership qualities.
- g. Director's contribution for enhancing the governance, regulatory, legal, financial, fiduciary and ethical obligations of the Board.
- h. Director's adherence to high standards of integrity, confidentiality and ethics.
- i. Overall performance and contribution of directors at meeting

Performance evolution criteria and Performance evaluation

Performance evaluation criteria for independent directors is as per the performance evaluation, nomination and remuneration policy performance evaluation of independent directors will be done by the entire Board. However, the performance of Non-Independent Directors, Performance of Chairman and Board as a whole was reviewed by the Independent Directors in their meeting held without the presence of Non-Independent Directors and each Director's performance was reviewed by the Board (by excluding the Director being evaluated from the meeting during the time of evaluation) in its meeting held on 14.02.2019.

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

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

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law the payment of sitting fees and commission will be recommended by the Nomination and Remuneration Committee and approved by the Board and/or shareholder as may be applicable.

Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

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

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

The terms of reference of Stakeholders Relationship Committee inter-alia includes resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.; Review of measures taken for effective exercise of voting rights by shareholders; review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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

Name	Designation	Category
*Mr. Raghavender Reddy Marpadaga	Chairman	Non- executive Independent Director
**Mr. Vijay Kishore Mishra	Chairman	Non- executive Independent Director
***Mr. N Nageswar Rao	Member	Non- executive Independent Director
****Mr. Sumit Sen	Member	Non- Executive Director
*****Mrs. Padmja Kota	Member	Non- Executive Director
*****Mr. D.Rohit Reddy	Member	Non- Executive Director
*****Mr. L. Jaya Simha Reddy	Member	Non- executive Independent Director

* Mr. Raghavender Reddy appointed as Chairperson of the Nomination and Remuneration Committee w.e.f 29.08.2018

** Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018 and accordingly ceased to be a member of the Committee

*** Mr. Nageshwar Rao Neelakantam has resigned from the office of the Director on 06.08.2018 and accordingly ceased to be a member of the Committee

**** Mr. Sumit Sen was resigned w.e.f 14.11.2018 and accordingly ceased to be a member of the Committee.

**** Mrs. Padmaja Kota was appointed as member of the committee w.e.f 29.08.2018

***** Mr. D. Rohit Reddy was appointed as member of the committee w.e.f 29.08.2018 (Mr. D. Rohit Reddy designation has been changed from Executive Director to Non-Executive Director w.e.f 25.04.2019)

***** Mr. L. Jaya Simha Reddy was appointed as member of the committee w.e.f 14.02.2019

Ms. D.Madhavi Latha acted as Company Secretary up to 3rd August, 2018. Ms. Y.K. Priyadarshini is acting as Company Secretary and Compliance Officer w.e.f 29.08.2018.

During the year under review, there were no complaints were received from the shareholders except the non-receipt of annual report. There were no complaints pending as on 31st March, 2019 and there were no such complaints which were not solved to the satisfaction of shareholders.

Particulars	Complaints pending at the beginning of the period ended	Complaints received during the period ended.	Disposed off/resolved during the period ended	Closing Balance
First Quarter	0	0	0	0
Second Quarter	0	*4	4	0
Third Quarter	0	0	0	0
Fourth Quarter	0	0	0	0

*Complaints/request refers to non-receipt of Annual Reports

Company Secretary and Compliance Officer of the Company acts as secretary of the Stakeholders Relationship Committee and the company has designated exclusive e-mail Id: investorrelations@prajayengineers.com and pesl.cs@prajayengineers.com for redressal of shareholders complaints / grievances.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Sl. No.	Name of the Director	Designation	Category
1.	*Mr. Raghavender Reddy Marpadaga	Chairman	Non-executive Independent Director

Sl. No.	Name of the Director	Designation	Category
2.	**Mr. Vijay Kishore Mishra	Non-Executive Independent Director	Member
3.	***Sumit Sen	Executive Director	Member
4.	****Padmaja Kota	Member	Non-executive Independent Director
5.	*****Mr. L. Jaya Simha Reddy	Member	Non-executive Independent Director
6.	Mr. D.Rohit Reddy	Member	Non-executive Director
7.	*****Ravi Kumar Kutikalapudi	Member	Non-executive Director

* Mr. Raghavender Reddy appointed as Chairperson of the Nomination and Remuneration Committee w.e.f 29.08.2018

** Mr. Vijay Kishore Mishra has resigned from the office of the Director on 10.08.2018 and accordingly ceased to be a member of the Committee

*** Mr. Sumit Sen was resigned w.e.f 14.11.2018 and accordingly ceased to be a member of the Committee.

**** Mrs. Padmaja Kota was appointed as member of the committee w.e.f 29.08.2018

***** Mr. L. Jaya Simha Reddy was appointed as member of the committee w.e.f 14.02.2019

***** Mr. Ravi Kumar ceased to be a member w.e.f 14.02.2019.

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

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

4. REMUNERATION OF DIRECTORS AND OTHER DETAILS

Name of the Director	Relationship with other director	Business relationship with the company	Remuneration paid during the year 2018-19 (in Rupees)			
			Sitting Fee	Salary	Commission	Total
Mr. Vijaysen Reddy Dantapalli	Mr. Vijaysen Reddy Dantapalli and Mr. Rothit Reddy Dantapalli are related to each other	Promoter - Director	0	0	0	0
Mr. Ravi Kumar Kutikalapudi	None	None	25000	0	0	0
Mr. Nageshwar Rao Neelakantam	None	None	0	0	0	0
Mr. Sokke Kaliveerappa Rudresh	None	None	0	0	0	0
Mr. Sumit Sen	None	None	0	0	0	0
Mr. Vijay Kishore Mishra	None	None	0	0	0	0
Mrs. Padmaja Kota	None	None	60000	0	0	60000
Mr. Rohit Reddy Dantapalli	None	Related to Mr. Vijaysen Reddy Dantapalli	0	0	0	0
Mr. Raghavender Reddy Marpadaga	None	None	60000	0	0	60000
Mr. L. Jaya Simha Reddy	None	None	10000	0	0	10000

5. OTHER DISCLOSURES:

- a. No related party transaction was entered by the company which is materially significant that may have potential conflict with the interests of the listed entity at large. The disclosure of all related party transactions are set out in notes forming part of the financial statements. The policy framing with related party transactions is posted on the company's website – www.prajayengineers.com/investors
- b. We affirm that there is no such noncompliance by the company and/or no penalties, strictures were imposed on the company by the stock exchange(s) or the board or any statutory authority, or any matter related to capital markets during the last three years.

c. Whistle Blower Policy/Vigil Mechanism

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

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

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

- d. The Company has complied with the mandatory requirements of listing regulations. Further, the Company has also trying put its best endeavor to comply with non-mandatory requirement(s).
- e. Policy for determining material subsidiaries of the Company is available on the website of the Company www.prajayengineers.com/investors
- f. Policy for dealing with related party transactions is available on the website of the Company www.prajayengineers.com/investors
- g. Commodity price risk or foreign exchange risk and hedging activities: Not Applicable
- h. During the financial year under review company has not raised any funds through financial preferential allotment or qualified institutions placements as specified under Regulation 32(7A).
- i. Certificate stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board/Ministry of Corporate Affairs or any such statutory authority issued by M/s. P.S.Rao and Associates, Company Secretaries under the signature of Mr. M.Ramana Reddy is annexed herewith.
- j. During the financial year under review, there is no such instance that the board had not accepted any recommendation of any committee of the board which is mandatorily required.
- k. Details of total fees paid by the company and its subsidiaries on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which statutory auditor is part is as below:

SI No.	Payments to the Statutory Auditors	Amount (in Rupees)
1	Audit fees paid for Standalone and Consolidated Financials	1644400
2	Tax Audit and Quarterly Limited Review Reports	177000
3	Other fee	94000

- l. During the financial year under review, the Company has not received any complaint on sexual harassment.
- m. The certificate in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations is annexed to this report.

All the requirements of Corporate Governance report as specified under sub paras (2) to (10) of Clause C of Schedule V of SEBI (LODR) Regulations have been complied with.

There has been no instance of non-compliance of any requirement of Corporate Governance Report as prescribed under SEBI (LODR) Regulations,

Adoption of Non-Mandatory Requirements as stipulated in Part E of Schedule II of SEBI (LODR) Regulations.

a. Shareholder Rights

Half yearly financial results are forwarded to the Stock Exchanges, published in newspapers and uploaded on the website of the Company like quarterly results.

b. Reporting of Internal Auditor

Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting their findings of the internal audit to the Audit Committee

6. GENERAL BODY MEETINGS

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

Financial Year	Location	Date and Time
2015-16	Prajay Corporate House, 1-10-63 & 64, Chikoti Gardens, Begumpet, Hyderabad – 500016	16 th August, 2016 at 3.00 p.m.
2016-17	Hotel Woodbridge, A.C. Guards, Lakadikapul, Hyderabad – 500004	27 th September, 2017 at 12.00 Noon
2017-18	Prajay Corporate House, 1-10-63 & 64, Chikoti Gardens, Begumpet, Hyderabad – 500016	29 th September, 2018 at 3.00 p.m

No special resolution(s) were passed) last year through postal ballot /no special resolution is proposed to be conducted through postal ballot.

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

Financial Year	Date of passing special Resolution	Resolu-tion No	Purpose of the Resolution	Votes in favour of the resolution		Votes against the resolution	
				Number	Percentage on valid votes polled	Number	Percentage on valid votes polled
2015-16	30.09.2015	5	To re-appoint Mr. Sumit Sen as Whole Time Director	30745081	99.98	3793	0.01
		6	To re-appoint Mr. Vijaysen Reddy Dantapalli as Managing Director	16074821	99.97	3793	0.02
2016-17	16-08.2016	6	To approve transactions with related parties	17680722	99.99	1116	0.00
2017-18				Nil			
2018-19				Nil			

- c) In terms of Companies Act, 2013 and SEBI (LODR) Regulations, your company provided e-voting facility provided to its shareholders to cast their votes electronically at the Annual General Meeting held on 29.09.2018 through the Central Depository Services Private Limited (CDSL). The Company had appointed Mr. M. Ramana Reddy, Practising Company Secretary from P.S.Rao and Associates, Hyderabad, as Scrutinizer for conducting e-voting and as well poll at Annual General Meeting. They have submitted combined report to the Chairman after completion of scrutiny and the results were then announced and sent to the Stock Exchanges and displayed on the Company's website.

7. MEANS OF COMMUNICATION

Website	Your Company maintains a website www.prajayengineers.com , wherein there is dedicated section 'Investor Corner'. The website provides the information/ documents required to be placed as per the listing regulations.
The un-audited quarterly results and audited results for the year	Generally published in widely circulated English news papers namely (Business Standard) and also in widely circulated vernacular newspapers such as Prajasakthi) within the prescribed time lines of Listing Regulations. The results are also displayed on the Company's web-site – www.prajayengineers.com .
Stock Exchanges	All periodical information, including the statutory filings and disclosures, are filed with BSE and NSE. The filings required to be made under the Listing Regulations, including shareholding pattern and corporate governance report.

are generally published in widely circulated English news papers namely (Business Standard) and also in widely circulated vernacular newspapers such as Prajasakthi) within the prescribed time lines of Listing Regulations. No news releases and presentation were either made to Institutional Investors or were displayed in the website.

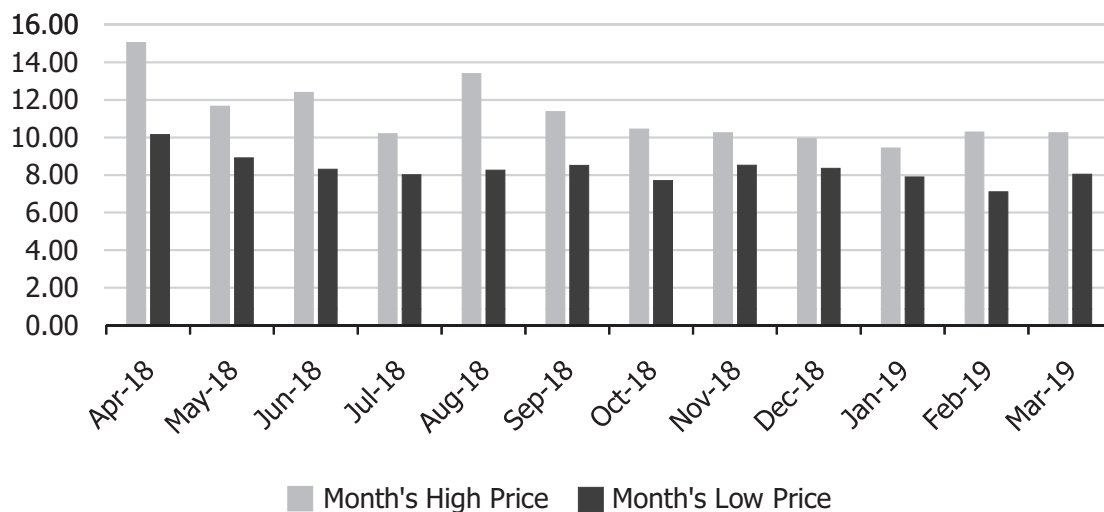
8. GENERAL SHAREHOLDERS INFORMATION

a	Annual General Meeting	25 th Annual General Meeting
b	Date of Annual General Meeting	30.09.2019
c	Venue	1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500 016, Telangana
d	Time	3.00 P.M.
e	Book Closure	Tuesday, the 24 th September, 2019 to Monday, the 30 th September, 2019 (both days inclusive)
f	Financial Year	2018-19
g	Dividend Payment Date	Not Applicable
h	Calendar for declaration of quarterly financial results	The results of every quarter beginning from April are declared within the prescribed time-limits of Listing Regulations. These results normally published by the Company in the leading english news papers like Business Standard and in one vernacular newspaper Prajasakthi within specified time. The copies of all quarterly results are available on website.
i	Details of Stock Exchanges where in the shares of the Company are listed	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
j	Stock ID/Code	BSE: 531746 & NSE: PRAENG
k	ISIN	INE505C01016
l	Listing Fee for Financial Year 2018-19	Paid

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

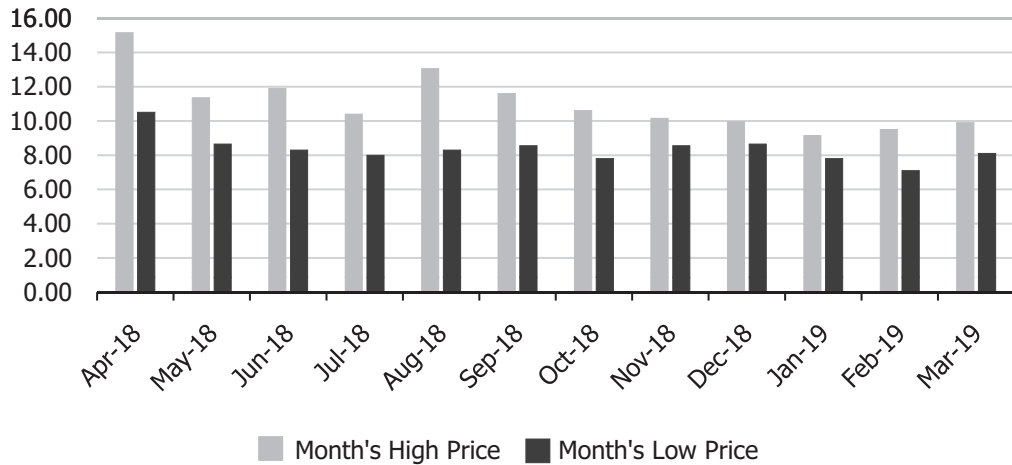
a) BSE

Month/Year	Month's High Price in Rs.	Month's Low Price in Rs
Apr-2018	15.05	10.15
May-2018	11.67	8.91
Jun-2018	12.40	8.31
Jul-2018	10.20	8.01
Aug-2018	13.40	8.26
Sep-2018	11.37	8.51
Oct-2018	10.45	7.7
Nov-2018	10.25	8.52
Dec-2018	9.94	8.36
Jan-2019	9.44	7.90
Feb-2019	10.29	7.11
Mar-2019	10.25	8.04

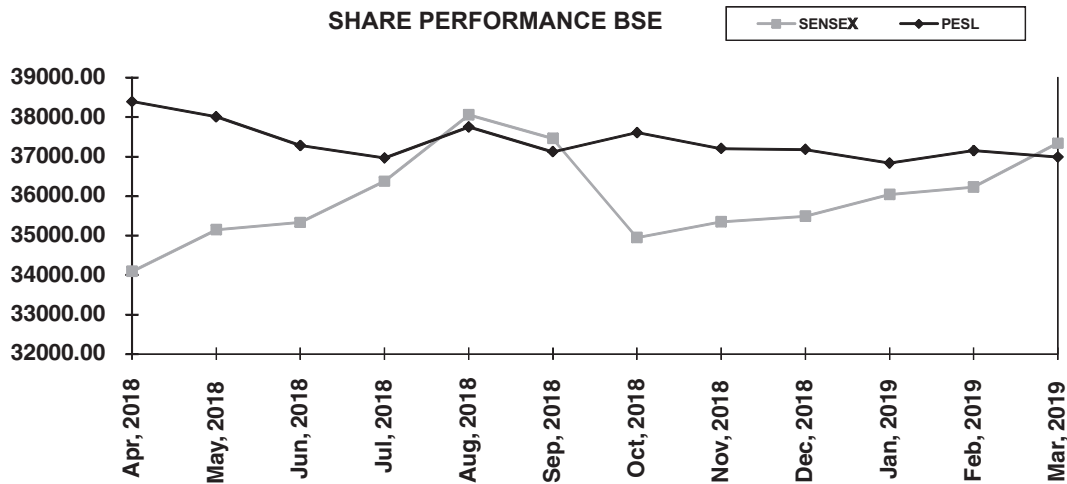


b) NSE

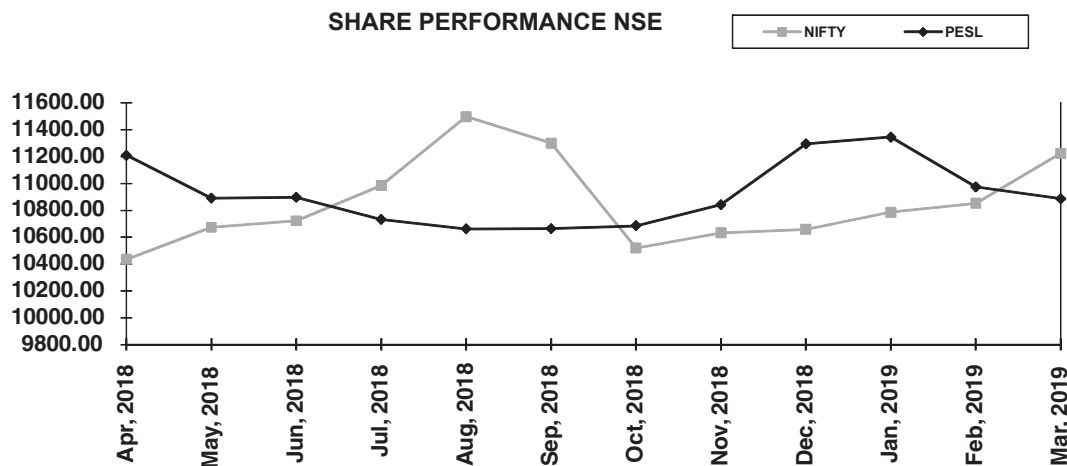
Month/Year	Month's High Price in Rs.	Month's Low Price in Rs
Apr-18	15.15	10.5
May-18	11.35	8.65
Jun-18	11.90	8.30
Jul-18	10.40	8.00
Aug-18	13.05	8.30
Sep-18	11.60	8.55
Oct-18	10.60	7.80
Nov-18	10.15	8.55
Dec-18	9.95	8.65
Jan-19	9.15	7.80
Feb-19	9.50	7.10
Mar-19	9.90	8.10



n. i. Performance in comparison to broad based indicies of BSE Sensex:



ii. Performance in comparison to broad based indicies of Nifty:



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

Up to 16-01-2019	From 17-01-2019
Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Phone:040-67161606 Website: www.karvycomputershare.com/www.karvyfintech.com Email: einward.ris@karvy.com	Venture Capital and Corporate Investments Private Limited. 12-10-167, Bharat Nagar Hyderabad, 500018, Phone : +91 040-23818475/23818476/23868023 Fax : +91 040-23868024 Website: vccipl.com Email: info@vccipl.com/ info@vccilindia.com

- q. Share Transfer System:

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

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

- r. Distribution of Shareholding as on 31st March, 2019

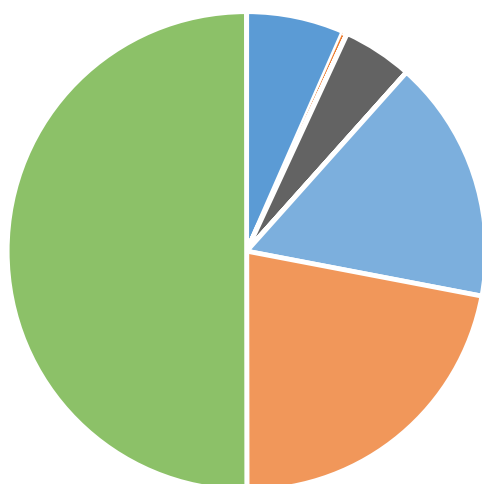
Sl. No	Shareholding of Nominal Value (Rs.)	Shareholders		Number of Shares	Share Amount	
		Nos.	%		(Rs.)	%
a.	Up to 5000	11211	69.82	2054089	20540890	2.94
b.	5001 - 10000	2069	12.89	1784043	17840430	2.55
c.	10001 - 20000	1205	7.5	1921013	19210130	2.75
d.	20001 - 30000	465	2.9	1216336	12163360	1.74
e.	30001 - 40000	215	1.34	786196	7861960	1.12
f.	40001 - 50000	224	1.4	1067912	10679120	1.53
g.	50001 - 100000	302	1.88	2280514	22805140	3.26
h.	100001 & Above	366	2.28	58825688	588256880	84.11
	TOTAL	16057	100.00	69935791	699357910	100.00

- s. Categories of Shareholders:

Category	Holding as on 31.03.2019	% of shareholding
Bodies Corporate	9181003	13.13
Clearing Member	413061	0.59
Central/State Government(S)	0	0.00
Financial Institutions/Banks	1000	0.00
Foreign Bodies Corporate	0	0.00
Foreign Institutional Investors	0	0.00
Insurance Companies	0	0.00
Mutual Funds/UTI	0	0.00
Non Residential Individuals	6595320	9.43
Foreign Nation	0	0.00

Category	Holding as on 31.03.2019	% of shareholding
Foreign Portfolio Investors - Individual(Fpi)	0	0.00
Foreign Portfolio Investors - Corporate(Fpi)	0	0.00
Promoter and Promoter Group	22988018	32.87
Public	30757389	43.98
Alternate Investment Funds	0	0.00
Trust	0	0.00
IEPF Authority MCA	0	0.00
Total	69935791	100.00

Holding as on 31.03.2019



- Bodies Corporate
- Clearing Member
- Central/State Government(S)
- Financial Institutions/Banks
- Foreign Bodies Corporate
- Foreign Institutional Investors
- Insurance Companies
- Mutual Funds/UTI
- Non Residential Individuals
- Foreign Nation
- Foreign Portfolio Investors - Individual(Fpi)
- Foreign Portfolio Investors - Corporate(Fpi)
- Promoter and Promoter Group

s. Status of Dematerialization of Shares/ Reconciliation of Share Capital Audit

As on 31st March, 2019, except 0.75% shares, all the Equity Shares are held in dematerialized form. The details of the dematerialized shares and physical shares are as below.

Particulars/Depository	Number of Shares	Percentage of total listed capital
CDSL	18455712	26.39
NSDL	50955295	72.86
Physical	524784	0.75
Total	69935791	100

As stipulated by SEBI, a qualified practising company secretary/firm carries out the reconciliation of share capital to reconcile the total capital held with the National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit is carried out every quarter and the report thereon is submitted to the stock exchanges.

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

As on 31st March, 2019 the Company has no GDR /ADR/Warrants/ Options/any other convertible instruments.

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

v. Location of Center of the company

	Place	Address
1	Hyderabad	1-10-63 & 64, 5 th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016, Telangana Website: www.prajayengineers.com
	email-Id:	investorrelations@prajayengineers.com; pesl.cs@prajayengineers.com

Address for Correspondence

During the year there was a change in Registrar and Share Transfer Agent. Your Company has appointed M/s Venture Capital And Corporate Investments Private Limited in place of Karvy Fintech Private Limited (previously known as Karvy Computershare Private Limited) w.e.f 17.01.2019.

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

1	RTA Address	Venture Capital and Corporate Investments Private Limited. 12-10-167, Bharat Nagar Hyderabad, 500018, Phone : +91 040-23818475/23818476/23868023 Website: www.vccipl.com email-Id: info@vccilindia.com/ info@vccipl.com
2	Registered Address of the Company	1-10-63 & 64, 5 th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016 , Telangana Website: www.prajayengineers.com Email: investorrelations@prajayengineers.com; pesl.cs@prajayengineers.com

Company do not have any debt instruments/fixed deposit programme/any scheme or proposal involving mobilization of funds whether india or abroad. Hence, the company is not required to obtain credit ratings/ any revisions thereto during the relevant financial.

For and on behalf of the board
Prajay Engineers Syndicate Limited

Sd/-
Vijaysen Reddy Dantapalli
Chairman
DIN : 00291185

Place : Hyderabad
Date : 26.08.2019

MANAGING DIRECTOR & CFO CERTIFICATION

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

- A. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended 31st March, 2019 and to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
1. significant changes in the internal control over financial reporting during the year;
 2. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the board
Prajay Engineers Syndicate Limited

Sd/-	Sd/-
Vijaysen Reddy Dantapalli	Bhaskara Rao Patnana
Managing Director	Chief financial Officer
DIN: 00291185	

Place : Hyderabad
Date : 14.08.2019

DECLARATION ON CODE OF CONDUCT

I, **Vijaysen Reddy Dantapalli Reddy** Managing Directors of the company hereby confirm pursuant to Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that: “The Board has laid down a Code of Conduct for all Board members, Senior Management and Independent Directors of the company in line with the provisions of Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The Code of Conduct has been posted on the website of the Company. All the board of directors and the senior management personnel have confirmed compliance with the code of conduct and ethics for the financial year ended 31st March, 2019”.

For and on behalf of the board
Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 26.08.2019

Sd/-
Vijaysen Reddy Dantapalli
Chairman
DIN : 00291185

BOARD CONFIRMATION

Based on the assessment carried out by the Board of Directors of the Company (“Board”) and the Declarations of independence submitted by the independent directors, this is to confirm that in the opinion of the Board, the Independent Directors fulfills the conditions specified in these regulations and are independent of executive management of the Company.

For and on behalf of the board
Prajay Engineers Syndicate Limited

Place : Hyderabad
Date : 26.08.2019

Sd/-
Vijaysen Reddy Dantapalli
Chairman
DIN : 00291185

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Prajay Engineers Syndicate Limited.

We have examined the compliance of conditions of Corporate Governance by Prajay Engineers Syndicate Limited ('the Company') for the year ended 31st March, 2019 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations.

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company.

Place : Hyderabad
Date : 26.08.2019

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

CERTIFICATE

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Prajay Engineers Syndicate Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Prajay Engineers Syndicate Limited, a Publicly Listed Company (Listed in both NSE and BSE) with Corporate Identification Number L45200TG1994PLC017384 and having registered office at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad TG 500016 (hereinafter referred to as 'the Company'), produced before me/ us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the Ministry of Corporate Affairs portal - www.mca.gov.in, as considered necessary, and explanations furnished to me / us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification and declarations received from the Management and the respective Directors of the Company. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad
Date : 26.08.2019

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

Annexure-VI

FORM MGT -9

EXTRACT OF ANNUAL RETURN

(for the Financial Year ended 31st March, 2019)

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	L45200TG1994PLC017384
ii.	Registration Date	19-04-1994
iii.	Name of the Company	Prajay Engineers Syndicate Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-government Company
v.	Address of the Registered Office	1-10-63 & 64, 5 th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad - 500016, Telangana, India
vi.	Contact Details of the Company	Phone: 040-66285566 Email: pesl.cs@prajayengineers.com ; Website: www.prajayengineers.com
vii.	Whether Listed Company	Yes
viii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital & Corporate Investments Private Limited. 12-10-167, Bharat Nagar Hyderabad - 500018, Telangana Phone : +91 040-23818475/23818476/23868023 Website: www.vccipl.com Email-Id: info@vccilindia.com / info@vccipl.com (from 17-01-2019) Karvy Fintech Private Limited Corporate Registry, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Telangana . Phone:040-67161606 Website: www.karvycomputershare.com Email-Id: einward.ris@karvy.com (upto 16-01-2019)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products/services	NIC Code of the product/ Service	% to total turnover of the company
i.	Construction and Real Estate Development	4100	77.11
ii.	Hospitality & Hotels & Resorts	55101	22.89

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/LLPN	Holding/ Subsidiary/ Associate	% of-shares/ contribution held	Section under Companies Act, 2013
1.	Prajay Holdings Private Limited H. No. 1-10-63 & 64, Prajay Corporate Office, Chikoti Gardens, Begumpet, Hyderabad – 500016.	U51909TG2006PTC053715	Subsidiary	78	2 (87) (ii)
2	Prajay Retail Properties Private Limited 8-2-293/82/A, Plot No.1091-A, Road No.41, Jubilee Hills, Hyderabad-500033, Telangana.	U70109TG1977PTC002176	Wholly-owned Subsidiary	100	2 (87) (ii)
3	Prajay Properties private Limited 8-2-293/82/A, Plot No.1091, Road No.41, Jubilee Hills, Hyderabad500 033	U70102TG2007PTC053296	Associate	49.49	2 (6)
4	Genesis Capital Private Limited C/o. ABAX Corporate Services Limited 6th Floor, Tower A, 1 Cyber city, Ebene, Republic of Mauritius	-	Associate	50	-
5	*Prajay Developers Private Limited 5th Floor, Prajay Corporate House, Chikoti Gardens, Hyderabad – 500016	U51909TG2006PTC057831	Step-down Subsidiary	NA	NA
6	**Secunderabad Golf and Leisure Resorts Private Limited 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad-500016	U55101TG2005PTC047642	Wholly-owned Subsidiary	100	2 (87) (ii)

* *Prajay Developers Private Limited is a wholly owned subsidiary of Prajay Holdings Private Limited, where in Prajay Holdings Private Limited is subsidiary of Prajay Engineers Syndicate Limited*

** *During the year under review, Secunderabad Golf and Leisure Resorts Private Limited has become 100% subsidiary of Prajay Engineers Syndicate Limited, by virtue of transfer of shares from the registered shareholders/ registered owners who were holding shares for and on behalf of Prajay Engineers Syndicate Limited (PESL), to PESL (“beneficial owner”). Secunderabad Golf and Leisure Resorts Private Limited was initially created as an SPV to implement tender for Secunderabad 18 holes golf course.*

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of total equity)

i). Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2018				No. of shares held at the end of the year 31.03.2019				%Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF's	22312782	0	22312782	31.91	22312782	0	22312782	31.91	Nil
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	675236	0	675236	0.96	675236	0	675236	0.96	0
e) Banks/Fl	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
(2) Foreign									
g) NRIs – Individuals	0	0	0	0	0	0	0	0	0
h) Others- Individuals	0	0	0	0	0	0	0	0	0
i) Bodies –Corp	0	0	0	0	0	0	0	0	0
j) Banks/Fl	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= A(1)+A(2)	22988018	0	22988018	32.87	22988018	0	22988018	32.87	0

Category of Shareholders	No. of shares held at the beginning of the year 01.04.2018				No. of shares held at the end of the year 31.03.2019				%Change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
B. Public Shareholding									
(1) Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	1000	0	1000	0.00	1000	0	1000	0.00	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt									
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital I Funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (B) (1)	1000	0	1000	0.00	1000	0	1000	0.00	0
2. Non-Institutions									
a) Bodies Corporate	9989462	4300	9993762	14.29	9176703	4300	9181003	13.13	-1.16
b) Individuals									
Individual shareholders holding nominal value upto Rs. 1 Lakh	16242073	225084	16467157	16.18	10469229	220784	10690013	15.29	-0.89
Individual shareholders holding nominal value in excess of Rs. 1 lakhs	12329442	299700	12629142	21.58	19767676	299700	20067376	28.69	+7.11
Others Specify									
NBFC's Registered with RBI	15493	0	15493	0.02	0	0	0	0	-0.02
Clearing Members	56357	0	56357	0.08	413061	0	413061	0.59	+0.51
NRI's	6431880	0	6431880	9.20	6595320	0	6595320	9.43	+0.23
HUF's	1138890	0	1138890	1.63	0	0	0	0	-1.63
Directors & Relatives	2686989	0	2686989	3.84	50000	0	50000	0.07	-3.77
Trusts	1500	0	1500	0.002	0	0	0	0	-0.002
NRI (Non-Repatriable)	212592	0	212592	0.30	219625	0	219625	0.31	+0.01
Sub Total B(2)	46417689	529084	46946773	67.13	46421989	524784	46946773	67.12	NA
Total Public Shareholding B(1)+B(2)	46417689	529084	46947773	67.13	46421989	524784	46946773	67.12	NA
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	69405607	530184	69935791	100	69406707	529084	69935791	100	0

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% of change in shareholding during the year
		No. of shares	% of total Shares of the company	%Shares Pledged/encumbered to total shares of promoters	No. of shares	% of total Shares of the company	%Shares Pledged/encumbered to total shares of promoters	
1	Mr. Vijay Sen Reddy Dantapalli	12315183	17.61	0	12315183	17.61	0	0
2	Mrs. D. Hymavathi Reddy	8237618	11.78	0	8237618	11.78	0	0
3	Mrs. Sharmila Reddy Dantapalli	1759981	2.52	0	1759981	2.52	0	0
4	M/s. Vijmohan Constructions Private Limited	674936	0.97	0	674936	0.97	0	0
5	M/s. Prajay Chit Fund Private Limited	300	0.00	0	300	0.00	0	0
	Total	22988018	32.88	0	22987718	32.88	0	0

iii. Change in Promoters shareholding

Sl. No		Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	22988018	32.87	There is no change in the shareholding of the promoters during the year under review.	
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	NIL	NA		
	At the End of the year	22988018	32.87		

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

Sl. No	Name	Shareholding				Reason	Cumulative Shareholding	
		No of shares at the beginning of FY and percentage	Increase/Decrease	Date of Change	No of shares at the end of FY and percentage		No of shares	% of the total shares of the company
1	Shalini Rodrigo Torbol	3444489 & 4.93	-	-	3444489 & 4.93	-	3444489	4.93
2	Ultimate Money Makers India Pvt. Ltd	2689000 & 3.84	-	-	2689000 & 3.84	-	2689000	3.84
3	Claus Christian Torbol	1543309 & 2.21	-	-	1543309 & 2.21	-	1543309	2.21
4	M. Abhinav Reddy	1537000 & 2.20	-	-	1537000 & 2.20	-	1537000	2.20
5	Vansh Value Realty Private Limited	1500000 & 2.14	-	-	1500000 & 2.14	-	1500000	2.14
6	Maplenet Technologies Pvt. Ltd	1500000 & 2.14	-	-	1500000 & 2.14	-	1500000	2.14
7	VDB Projects Private Limited	1438451 & 2.06	-	-	1438451 & 2.06	-	1438451	2.06
8	*Sumit Sen	1468693	-	-	1468693 & 2.1	-	1468693	2.1
9	Ravindar Reddy Nandi	1298913	-	-	1298913	-	1298913	1.86
10	**Vijay Kishore Mishra	1063034	-	-	1063034	-	1063034	1.52

*Mr. Sumit Sen ceased to be a director of the Company w.e.f 14-11-2018.

**Mr. Vijay Kishore Mishra ceased to be a director of the Company w.e.f. 10-08-2018.

v. Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of the Director/KMP	Shareholding at the beginning of the year 01.04.2018		Bought/ Sold during the F.Y. 2018-19	Shareholding at the end of the year 31.03.2019	
		No. of shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
1.	Mr. N. Nageshwara Rao	500	0.00	0	Ceased to be director w.e.f 06-08-2018	
2.	Mr. Vijay Kishore Mishra	1063034	1.52	0	Ceased to be director w.e.f 10-08-2018	
3	Mrs. Sumit Sen	1468693	2.10	0	Ceased to be director w.e.f 14-11-2018	
4.	Mr. Sokke Kaliveerappa Rudresh	0	0	0	Ceased to be director w.e.f 14-02-2018	
5.	Mr. K. Ravi Kumar	50000	0.0007	0	50000	0.0007
6.	Mr. Raghavender Reddy Marpadaga	##	0	0	##	0
7.	Mr. Rohit Reddy Dantapalli	0	0	0	0	0
8.	Mrs. Padmaja Kota	0	0	0	0	0
9.	Mr. L.Jaya Simha Reddy	0	0	0	0	0
10.	Mr. Bhaskara Rao Patnana	7410	0.01	0	7410	0.01
11.	Mrs. Yedlapati Kurana Priyadarshini	0	0	0	0	0

Mr. Raghavender Reddy is jointly holding (as a second shareholder) 234192 equity shares.

V. INDEBTEDNESS

Indebtedness of the Company including outstanding/accrued but not due for payment (In Rupees)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	1,33,93,70,010	75,47,388	71,00,000	1,35,40,17,398
ii) Interest due but not paid	1,44,12,84,341	0	38,617	1,44,13,22,958
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2,78,06,54,351	75,47,388	71,38,617	2,79,53,40,356
Change in indebtedness during the Financial year				
- Addition	31,52,14,571	-	-	31,52,14,571
- Reduction	55,90,09,300	0	0	55,90,09,300
Net Change	(24,37,94,729)	0	0	(24,37,94,729)
Indebtedness at the end of the year				
i) Principal Amount	78,03,60,710	75,47,388	71,00,000	79,50,08,098
ii) Interest due but not paid	1,75,64,98,912	0	38,617	1,75,65,37,529
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2,53,68,59,622	75,47,388	71,38,617	2,55,15,45,627

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other Directors (In Rupees)

Name	Fee for attending board meetings	Commission	Others, please specify	Total Remuneration
I. In Non Executive Independent Directors				
Mr. Ravi Kumar	25000	0	0	25000
Mr. Raghavender Reddy Marpadaga	60000	0	0	60000
Mrs. Padmaja Kota	60000	0	0	60000
Mr. L.Jaya Simha Reddy Reddy	10000	0	0	10000
Total	155000	0	0	155000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial officer	Total
1	Gross Salary	868400	1122000	1990400
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
0	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - Others, specify	0	0	0
5	Others, please specify	0	0	0
	Total	868400	1122000	1990400

*Mrs. Madavilatha resigned Company Secretary and Compliance Officer w.e.f 3rd August, 2018 and Mrs. Y.K. Priyadarshini is appointed as Company Secretary and Compliance Officer w.e.f 29th August, 2018.

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES: Nil.

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

Place : Hyderabad
Date : 26.08.2018

Sd/-
Vijaysen Reddy Dantapalli
Chairman and Managing Director
DIN: 00291185

Sd/-
Rohit Reddy Dantapalli
Director
DIN: 07560450

FORM NO. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular CIR/CFD/CMD1/27/2019, 8th February, 2019]

To
The Members,
Prajay Engineers Syndicate Limited
5th Floor, Prajay Corporate House,
1-10-63 & 64, Chikoti Gardens, Begumpet,
Hyderabad-500016, Telangana.

We have conducted the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 and Rules made there under and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the compliance of applicable statutory provisions and the adherence to good corporate practices by Prajay Engineers Syndicate Limited (hereinafter called "the Company" or "PESL"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2019 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; During the audit period the company proposed to issue the Share warrants to the persons belonging to the Promoters/relatives of Promoters. However, the resolution was not approved by the members of the Company with the required majority in the Annual General Meeting held on 29th September, 2018. The company has complied all the provisions and compliances to the extent applicable for the said proposal.

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the company has not issued any debt securities during the financial year under review)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the company has not delisted its equity shares from any stock exchange during the financial year under review).**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/2018; **(Not applicable as the company has not bought back any of its securities during the financial year under review).**
- (i) The Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) for the period from 1st April, 2018 to 31st March, 2019.

However, due to the Search and Seizure by the Police Authorities/Department pursuant to an order issued by the XVII Additional Chief Metropolitan Magistrate , Hyderabad with regard to the criminal complaint Vide Cr No.79 of 2019 of Jubilee Hills Police Station, Hyderabad filed by Mrs.D.Hymavathi Reddy, a shareholder belonging to the Promoter Group of the Company, the Company's physical and electronic data, computer hard -disks, back up and computer server(s) were taken possession by Police Authorities, consequent to this the Company has not submitted the Audited Financial Results both Standalone and Consolidated for the financial year ended 31st March,2019. The Company has made an application to Securities Exchange Board of India (SEBI), seeking relaxation from strict enforcement of Regulation 33 of the above and also requested the Stock Exchanges for the waiver of the fine paid by the Company for non-submission of financial results.

The Company has followed the procedure SEBI/HO/CFD/CMD/CIR/P/2018/77, dated 3rd May, 2018. As per the documents provided to us and confirmation made by the Management, the Company has taken certain legal measures to bring back and/recover the seized documents and data and to submit the financial results on or before 14th August, 2019. Due to the non-submission of financial results as stated above, the company was not able to submit the statement on related party transaction of the Company on Consolidated basis for the half year ended 31st March, 2019, as required to be submitted in terms of Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) within 60 days of submission of financial results.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

6. However, the Company was not able to file One Time Return (E-Form DPT-3) for declaration of outstanding receipt of money or loan by a company but not considered as deposits which is required to be filed in terms of clause (c) of sub-rule 1 of rule 2 from the 01st April, 2014 to 31st March 2019, as specified in Form **DPT-3** within due date due to the search and seizure of record as stated in the aforesaid paragraphs.
7. The Company has received an inquiry notice from the IEPF Authority with regard to transfer of equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more pursuant to provisions of Section 124(6) of the Companies Act, 2013 in the name of IEPF fund. We are of the opinion that the Company is required to transfer the shares as stated above in the name of IEPF Authority
8. An amount of Rs.1,38,617 (One lakh thirty eight thousand six hundred and seventeen) of Deposit amount which is matured but not claimed by the deposit holders is lying with the Company. The same has been disclosed in the Annual Report and filed E-Forms DPT -3 with the ROC. The said deposits were accepted under the provisions of Companies Act, 1956. The Company has not accepted any deposits or any amount in the form of deposits and not renewed any deposits under the provisions of Companies Act, 2013 and accordingly not issued any circular or a circular in the form of an advertisement to the Public.
9. The company is required to transfer the said amount to Investor Education and Protection fund at the end of 7 years as per the relevant provisions of the Companies Act, 2013 and the rules made thereunder.
10. A demand notice Dated 8th August, 2019 has been received by the company from M/s Prajay Properties Private Limited (an associate company) under the signature of Ms. Jamila Mohamed Hamed Al Jabri, Investor nominee director of M/s Prajay Properties Private Limited (PPPL), stating that in the year 2010, an amount of INR 120.60 crores siphoned from PPPL in the name of Inter Corporate Deposits. However, as per the confirmation given by the management a settlement agreement has been reached with the investors which has not implemented for want of legal opinion from the investor's solicitor. The above said notice is also connected to the same matter. The company is taking appropriate steps to address the matter.
11. The Company has filed the requisite E-forms and returns with the concerned authorities as required under the Act, however there are delays in filing of necessary forms with registrar of companies.

For **P S Rao & Associates**

Sd/-

M. Ramana Reddy
Company Secretary
M No.37864
C P No. 18415

Date: 14.08.2019
Place: Hyderabad

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

Annexure A to Secretarial Audit Report

To
The Members,
Prajay Engineers Syndicate Limited
5th Floor, Prajay Corporate House,
1-10-63 & 64, Chikoti Gardens, Begumpet,
Hyderabad-500016, Telangana.

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

Disclaimer

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

Sd/-
For **P S Rao & Associates**

M. Ramana Reddy
Company Secretary
M No.37864
C P No. 18415

Date: 14.08.2019
Place: Hyderabad

FORM NO. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular IR/CFD/CMD1/27/2019, 8th February, 2019

To
The Members,
PRAJAY HOLDINGS PRIVATE LIMITED,
5th Floor, Prajay Corporate House,
1-10-63 & 64, Chikoti Gardens, Begumpet,
Hyderabad-500016, Telangana.

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Prajay Holdings Private Limited (“the Company”) for the financial year ended on 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Industry Specifics Acts, Labour and other applicable laws to the Real estate industry.
- (iii) Other specifically applicable laws to the Company including but not limited to Real Estate Regulatory Act, 2016.
- (iv) The Foreign Exchange Management Act 1999 and rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

Based on the information received and records maintained by the company, we further report that:

- 1) However, as per the Articles of Association there shall be 4 directors. As on 31st March, 2019, the board consists of 3 (three) Directors with only one Investor’s Nominee Director instead of two (2).
- 2) The changes in the composition of the Board of Directors that took place during the period under review were carried out in accordance with the provisions of the Act.
- 3) The provisions with respect to meetings of Board and General Meetings and other provisions of the Act and rules made there under were generally followed. The Company has given notice for all the board meetings and/general meetings to all the directors and/or to the shareholders (as may be applicable as per the Articles of Association of the Company 10 days notice in writing is required for the Board Meetings and 21 days notice is required for general meetings. The Investor Directors and representative(s) have not participated in the board meetings and as well as in General Meeting(s) of the Company. As per the Articles of the Association of the Company, the Investor Director and/or Shareholders presence is necessary to quorate the board and/or general meetings.

Mrs. D. Hymavathi Reddy a shareholder of the company (registered shareholder) has filed a petition against the company and its functioning, appointment/resignations of director of the board in the National Company Law Tribunal (NCLT) at Hyderabad. As confirmed by the Management a family settlement was entered between Mr. D. Vijaysen Reddy (Promoter Shareholder of the Parent Company) and Mrs. D. Hymavathi Reddy, a shareholder belongs to promoter group of the parent Company, with a condition to withdraw all the cases filed by her against the parent company and its subsidiary(ies) and associates including (PHPL) subject to the execution of the terms of the said family settlement.

Whitestock Limited a foreign shareholder of the company has also filed a Company Petition in National Company Law Tribunal (NCLT) at Hyderabad against the company and its functioning, appointment/resignations of directors and/or Key Managerial Person of the company vide C.P.No. 468/2018.

During the audit period, the company has in receipt of Order u/s 37 of FEMA, 1999 read with 133(6) of Income Tax Act, 1961, issued by the Office of the Joint Director, Enforcement Directorate, Hyderabad Zonal Office.

The Company has defaulted the Coupon payments on Compulsorily Convertible Debentures issued to the foreign shareholder.

During the period under the review, it is observed that the company has complied with applicable provisions of Companies Act and Rules made there under. However, the Company was not able to file E-form INC 22 A (ACTIVE) form due to non-filing of DIR-3 KYC by the Investor Nominee Director and further the company has also not filed One Time Return (E-Form DPT-3) for declaration of outstanding receipt of money or loan by a company but not considered as deposits which is required to be filed in terms of clause (c) of sub-rule 1 of rule 2 from the 01st April, 2014 to 31st March 2019, as specified in Form DPT-3 within the prescribed time.

Due to the Search and Seizure by the Police Authorities/Department pursuant to an order issued by the XVII Additional Chief Metropolitan Magistrate , Hyderabad with regard to the criminal complaint Vide Cr No.79 of 2019 of Jubilee Hills Police Station, Hyderabad filed by Mrs.D.Hymavathi Reddy, a shareholder belonging to the Promoter Group of the Parent Company, the Company's physical and electronic data, computer hard-disks, back up and computer server(s) were taken possession by the Police Authorities. The Company has filed the requisite E-forms and returns with the concerned authorities as required under the Act, however there are delays in filing of necessary forms with registrar of Companies.

Debenture Application money of Rs. 10.50 Crores is pending from the year 2014.

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

For P. S. Rao & Associates

Sd/-
M. Ramana Reddy
Company Secretary
M No.37864
C P No. 18415

Date: 14.08.2019
Place: Hyderabad

Annexure A to Secretarial Audit Report

To
The Members,
Prajay Holdings Private Limited
5th Floor, Prajay Corporate House,
1-10-63 & 64, Chikoti Gardens, Begumpet,
Hyderabad-500016, Telangana.

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

Disclaimer

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

For **P. S. Rao & Associates**

Sd/-
M. Ramana Reddy
Company Secretary
M No.37864
C P No. 18415

Date: 14.08.2019
Place: Hyderabad

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 2019, 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 then 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 2019, 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 :

- Note No. 44 relating to case filed in Hyderabad Bench of NCLT against the company
- Note No. 41 relating to a demand notice received by the company,
- Note No. 45 relating to reasons for not submitting the audited financial results for the quarter and financial year ended 31 March 2019.
- Note No. 39(a) of the Standalone Financial Statements, in respect of trade receivable considered good include an amount of Rs.19566.17 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.
- Note No. 39(b) of the standalone financial statements, in respect of Loans & Advances amounting to Rs.6331.14 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.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, 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
<p>Revenue from sale of residential and commercial units represents 77.11% of the total revenue from operations of the company.</p> <p>Revenue recognition – Fixed price development contracts</p> <p>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).</p>	<p>Our audit procedures on revenue recognition included the following;</p> <ul style="list-style-type: none"> 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

<p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <p>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.</p> <p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.</p> <p>At Year-end a significant amount of work in progress related to these contracts is recognized on the balance sheet.</p>	<ul style="list-style-type: none"> • Considered the adequacy of the disclosures in note 2 & 3 to the standalone financial statement in respect of the judgment taken in recognizing revenue for residential and hospitality sector. <p>In addition, we have the performed the following procedures:</p> <p>Revenue recognition prior to receipt of OC / similar approval and intimation to the customer</p> <ul style="list-style-type: none"> • 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 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. <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs of complete</p> <p>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;</p> <ul style="list-style-type: none"> • 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.
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Inventories (refer note 11 to standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Inventories comprising of land, construction work in progress, food & beverages represent 31.58% of the Company's total assets.</p> <p>Assessing net realizable value</p> <p>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 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 cyclicalities exists within the long term projects.</p> <p>Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors.</p>	<p>Our audit procedures to assess the net realizable value (NRV) of inventories included the following:</p> <ul style="list-style-type: none"> • 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;

<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • Re-performing the calculations of the NRV assessment and comparing the estimated construction costs to complete each development with the Company's updated budgets.
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Land Advances - (refer note 10 to the standalone financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Assessment of recoverability of land advances</p> <p>Land advance represents a sizeable portion of the Company's total assets.</p> <p>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.</p> <p>Further due to their materiality in the context of total assets of the company this is consider significant to our overall audit.</p>	<p>Our audit procedures to assess the recoverability of land advances included the following;</p> <ul style="list-style-type: none"> • 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.

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
<p>The carrying amount of the investments in subsidiaries, held at cost represents 11.54%, to associate, represents 2.03% of the Company's total assets respectively.</p> <p>Recoverability of investment in subsidiary, joint ventures and an associate</p> <p>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.</p> <p>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.</p>	<p>Recoverability of investment in subsidiary, joint ventures and an associate</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • 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
<p>Recoverability of loans to subsidiaries and joint ventures</p> <p>The Company has extended loans to joint ventures and subsidiaries that are assessed for recoverability at each period end.</p> <p>Financial assets, which include current loans to joint ventures and subsidiaries aggregated to Rs 2350.20 lakhs at 31 March 2019</p> <p>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.</p> <p>There is also judgment 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.</p>	<p>Recoverability of loans to subsidiaries and joint ventures</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> 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 <p>We have obtained independent confirmations to ensure completeness and existence of loans and advances held by related parties as on 31 March 2019.</p>

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 thereon.

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

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 judgments 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.
- 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;
- (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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 2019 on its financial position in its standalone financial statements - Refer Note 34, 41 & 44 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 2019; 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 2019.

For and on behalf of

Karumanchi & Associates

Chartered Accountants

Firm's registration number : 001753S

K.Peddabbai

Partner

M.No : 025036

UDIN No : 19025036AAAABP3923

Place : Hyderabad

Date : 14.08.2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2019

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 2019, 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 by the 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 and the 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 assets verified 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 Section 189 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.
- (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 2019 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 2019, 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

- (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.
- (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 clause 3 (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

K.Peddabai
Partner

M. NO: 025036

UDIN No : 19025036AAAABP3923

Place: Hyderabad
Date : 14.08.2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2019

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 2019 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 2019, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

K.Peddabbai

Partner

M.No : 025036

UDIN No : 19025036AAAABP3923

Place : Hyderabad

Date : 14.08.2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	6	12,479.02	12,858.54
Capital work-in-progress		25,371.86	23,594.00
Intangible assets	7	1.97	2.47
Financial assets			
Investments	8	13,320.39	13,340.25
Loans	9	69.61	74.45
Other non-current assets	10	5,631.14	4,921.56
		56,873.99	54,791.27
Current assets			
Inventories	11	36,460.15	38,596.54
Financial assets			
Investments	8	-	3.28
Trade receivables	12	18,475.33	19,864.86
Cash and bank balances	13	449.19	428.41
Loans	9	719.85	753.49
Current tax assets, gross		586.56	534.68
Other current assets	10	1,873.49	2,044.64
		58,564.57	62,225.90
Total assets		115,438.56	117,017.17
Equity and Liabilities			
Equity			
Equity share capital	14	6,993.58	6,993.58
Other equity	15	50,538.40	51,835.16
Total equity		57,531.98	58,828.74
Non-current liabilities			
Financial Liabilities			
Borrowings	16	1,891.88	2,024.57
Provision for Gratuity		94.61	98.80
Deferred tax liabilities (net)	17	1,245.93	1,337.39
		3,232.42	3,460.76
Current liabilities			
Financial Liabilities			
Borrowings	16	4,661.30	4,504.73
Trade payables	18	20,758.21	21,786.24
Other financial liabilities	19	21,992.42	23,890.39
Other current liabilities	20	7,113.13	4,397.21
Liabilities for current tax assets		149.10	149.10
Total liabilities		54,674.16	54,727.67
Total equity and liabilities		115,438.56	117,017.17
Summary of significant accounting policies	1 to 5		
The accompanying notes are an integral part of the standalone financial statements			

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

for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited

K.Peddabai
Partner
Membership No: 025036
UDIN No : 19025036AAAABP3923

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

D.Rohit Reddy
Director
DIN: 07560450

Place: Hyderabad
Date: 14.08.2019

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

Y.K.Priyadarsini
Company Secretary
M No. A31287

STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	21	4,678.57	3,662.16
Other income	22	483.30	452.28
Total income		5,161.87	4,114.44
Expenses			
Cost of Land, Plots and Constructed Properties	23	3,013.84	2,193.34
Direct Cost Hotels & Resorts	23	423.25	472.99
Employee benefits expense	24	381.23	422.30
Depreciation and amortisation expense	25	418.40	490.37
Finance costs	26	1,541.07	1,855.86
Other expenses	27	772.07	728.52
Total expense		6,549.86	6,163.38
Profit before prior period items		(1,387.99)	(2,048.94)
Prior period adjustments		-	179.90
Profit before Tax		(1,387.99)	(1,869.04)
Tax expenses:			
Current tax		-	-
Prior Period Tax		-	(93.73)
Deferred tax charge		(91.46)	172.27
Total tax expense		(91.46)	78.54
Profit for the year		(1,296.53)	(1,947.58)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities		(0.29)	(0.87)
Re-measurement gains/ (losses) on defined benefit plan		-	-
Income-tax effect		0.06	0.17
Other comprehensive income for the year, net of tax		(0.23)	(0.70)
Total comprehensive income for the year		(1,296.76)	(1,948.28)
Earnings per equity share (nominal value of INR 10) in INR			
Basic and Diluted		(1.85)	(2.79)
Summary of significant accounting policies	1 to 5		

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

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

for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited

K.Peddabbai
Partner
Membership No: 025036
UDIN No : 19025036AAAABP3923

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

D.Rohit Reddy
Director
DIN: 07560450

Place: Hyderabad
Date: 14.08.2019

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

Y.K.Priyadarsini
Company Secretary
M No. A31287

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

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

a. Equity Share Capital	No. of shares	Amount
Equity shares of INR 10 each issued		
At March 31, 2018	70,267,291	7,026.72
At March 31, 2019	70,267,291	7,026.72
Equity shares of INR 10 each subscribed and fully paid-up		
At March 31, 2018	69,935,791	6,993.58
At March 31, 2019	69,935,791	6,993.58

Particulars	Reserves and Surplus				Total
	Share Premium	Capital Reserve	General reserve	Retained Earnings	
At March 31, 2017	40,762.16	475.80	1,999.08	10,546.40	53,783.44
Profit for the year				(1,947.58)	(1,947.58)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				(0.87)	(0.87)
Re-measurement gains/ (losses) on defined benefit plans				-	-
Income-tax effect				0.17	0.17
At March 31, 2018	40,762.16	475.80	1,999.08	8,598.12	51,835.16
Profit for the year				(1,296.53)	(1,296.53)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				(0.29)	(0.29)
Re-measurement gains/ (losses) on defined benefit plans, net of tax				-	-
Income-tax effect				0.06	0.06
Balance as of 31 March 2019	40,762.16	475.80	1,999.08	7,301.37	50,538.40

Summary of significant accounting policies

1 to 5

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

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

for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited

K.Peddabai
 Partner
 Membership No: 025036
 UDIN No : 19025036AAAABP3923

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

D.Rohit Reddy
 Director
 DIN: 07560450

Place: Hyderabad
 Date: 14.08.2019

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

Y.K.Priyadarsini
 Company Secretary
 M No. A31287

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Operating activities		
Profit before tax	(1,387.99)	(1,869.04)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	417.89	490.36
Amortisation of intangible assets	0.51	0.01
Finance income (including fair value change in financial instruments)	(5.49)	(10.63)
Finance costs (including fair value change in financial instruments)	1,541.36	1,856.73
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	1,389.53	127.12
(Increase)/ decrease in inventories	2,142.09	(2,027.13)
(Increase)/ decrease in loans	38.48	(24.81)
(Increase)/ decrease in other assets	(538.43)	588.50
Increase/ (decrease) in trade payables and other financial liabilities	(2,875.91)	2,855.04
Increase/ (decrease) in provisions	(4.19)	15.15
Increase/ (decrease) in other non financial liabilities	2,715.98	1,112.32
	3,436.92	3,113.62
Income tax paid	(51.88)	65.17
Net cash flows from operating activities	3,385.04	3,178.79
Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(1,825.03)	(2,066.50)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	22.85	(1.72)
Interest received (finance income)	5.49	10.63
Net cash flows used in investing activities	(1,796.69)	(2,057.59)
Financing activities		
Proceeds / (repayment) from long term borrowings, net	(132.69)	(278.83)
Proceeds / (repayment) from short term borrowings, net	156.57	1,136.71
Interest paid	(1,591.45)	(1,955.83)
Net cash flows from/ (used in) financing activities	(1,567.57)	(1,097.95)
Net increase / (decrease) in cash and cash equivalents	20.78	23.25
Cash and cash equivalents at the beginning of the year (refer note 13)	428.41	405.16
Cash and cash equivalents at the end of the year (refer note 13)	449.19	428.41

Note: Cash & Cash Equivalents INR 0.16 lakhs in Escrow account (31.03.2018 : INR 0.16 lakhs)

Summary of significant accounting policies 1 to 5

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

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

 for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited
K.Peddabai
 Partner
 Membership No: 025036
 UDIN No : 19025036AAAABP3923

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

D.Rohit Reddy
 Director
 DIN: 07560450

 Place: Hyderabad
 Date: 14.08.2019

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

Y.K.Priyadarsini
 Company Secretary
 M No. A31287

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

1. General information

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

2. Basis of preparation of financial statements

2.1 Statement of Compliance

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

2.2 Accounting convention

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

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

2.3 Functional currency

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

2.4 Operating cycle

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

Assets:

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

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

Liabilities:

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

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

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

3. Significant accounting policies

3.1 Revenue recognition

Effective 1st April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers'. The determination of revenue did not change upon the adoption of Ind AS 115 'Revenue from Contracts with Customers'.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

Dividend and interest income

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

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

3.2 Cost of construction

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

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

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

3.3 Leases

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

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

3.4 Foreign currencies

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

3.5 Borrowing costs

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

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

3.6 Taxation

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

Current tax

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

Deferred tax

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

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

3.7 Earnings per share

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

3.8 Property, plant and equipment

Recognition and measurement

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

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

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Depreciation

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

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

3.9 Inventories

Inventories are valued as under:

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

3.10 Impairment of non-financial assets

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

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

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

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

3.11 Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in income. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Termination benefits

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

Other long-term employee benefits

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

3.12 Provisions

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

3.13 Contingent liabilities & contingent assets

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

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

3.14 Financial instruments

Initial recognition

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

Subsequent measurement

Non-derivative financial instruments

- Financial assets carried at amortized cost

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

- Financial assets at fair value through other comprehensive income

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

- Investment in subsidiaries and associates

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

- Financial liabilities

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

5. **Critical accounting judgements and key sources of estimation uncertainty**

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

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

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

Provision and contingent liability

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

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Investment in equity instruments of subsidiary and associate companies

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

- 6 **Property, plant and equipment**

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Computers	Vehicles	Total
Cost							
At March 31, 2017	430.85	11,642.93	2,135.66	104.71	8.12	180.78	14,503.05
Additions	-	-	11.49	1.82	1.01	-	14.32
Adjustments	-	24.97	-	-	-	-	24.97
At March 31, 2018	430.85	11,617.96	2,147.15	106.53	9.13	180.78	14,492.40
Additions	-	-	11.65	-	2.19	33.33	47.17
Adjustments	-	-	13.31	-	-	-	13.31
At March 31, 2019	430.85	11,617.96	2,145.49	106.53	11.32	214.11	14,526.26
Accumulated depreciation							
At March 31, 2017	-	357.58	668.94	40.84	5.53	77.15	1,150.04
Charge for the year	-	190.69	259.43	17.57	1.37	21.30	490.36
Less: Adjustments	-	6.53	-	-	-	-	6.53
At March 31, 2018	-	541.74	928.37	58.41	6.90	98.45	1,633.87
Charge for the year	-	190.97	198.66	8.14	0.87	19.25	417.89
Less: Adjustments	-	-	4.51	-	-	-	4.51
At March 31, 2019	-	732.71	1,122.52	66.55	7.77	117.70	2,047.25
Carrying amount							
At March 31, 2017	430.85	11,285.35	1,466.72	63.87	2.59	103.63	13,353.02
At March 31, 2018	430.85	11,076.22	1,218.78	48.12	2.23	82.33	12,858.54
At March 31, 2019	430.85	10,885.25	1,022.97	39.98	3.55	96.41	12,479.02

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Notes:

- a) Capitalised borrowing costs
The amount of borrowing costs capitalised during the year ended March 31, 2019 was INR Nil (March 31, 2018 - INR Nil).
- b) Charge on Property, plant and equipment
Property, plant and equipment with a carrying amount of INR Nil (March 31, 2018 - INR 189.15 lakhs) and Vehicles with a carrying amount of INR 6.32 lakhs (March 31, 2018 - INR 30.81 lakhs) are subject to a first charge to secure the Company's bank loans.

7 Intangible assets

	Particulars	Computer softwares	Total
Cost			
At March 31, 2017		0.92	0.92
Additions		1.58	1.58
At March 31, 2018		2.50	2.50
Additions		-	-
At March 31, 2019		2.50	2.50
Accumulated depreciation			
At March 31, 2017		0.01	0.01
Charge for the year		0.01	0.01
At March 31, 2018		0.03	0.03
Charge for the year		0.50	0.50
At March 31, 2019		0.53	0.53
Carrying amount			
At March 31, 2017		0.91	0.91
At March 31, 2018		2.47	2.47
At March 31, 2019		1.97	1.97

8 Investments

Particulars	31 March 2019	31 March 2018
Non-current investments		
Investments carried at cost		
Unquoted equity shares		
<i>Investments in subsidiaries</i>		
5,000 (March 31, 2018: 5,000) equity shares of face value Rs. 1,000 each fully paid up in Prajay Retail Properties Private Limited	1,100.00	1,100.00
999,900 (March 31, 2018: 999,900) equity shares of face value Rs. 10 each fully paid up in Prajay Holdings Private Limited	99.99	99.99
<i>Investments in associates</i>		
64,595 (March 31, 2018: 64,595) equity shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	6.46	6.46
10,000 (March 31, 2018: 10,000) equity shares of face value USD 1 each fully paid up in Genesis Capital Private Limited, Mauritius	5.18	5.18
Unquoted Preference instruments		
<i>Investment in subsidiary</i>		
64,438,944 (March 31, 2018: 64,438,944) optionally convertible preference shares of face value Rs. 10 each fully paid up in Prajay Holdings Private Limited	6,443.89	6,443.89
<i>Investment in associate</i>		
40,130 (March 31, 2018: 40,130) optionally convertible preference shares of face value Rs. 10,000 each fully paid up in Prajay Properties Private Limited	4,013.00	4,013.00
Investment in the capital of Partnership firm		
50% (March 31, 2018: 50%) share in the profits of Prajay Binjursaria Estates	1,650.50	1,650.50
Total investments carried at cost	13,319.02	13,319.02

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	31 March 2019	31 March 2018
Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)		
Quoted equity shares		
9,500 (March 31, 2018:9500) equity shares of face value Rs.10 each, fully paid up in Indian Overseas Bank	1.37	1.66
Total investments carried at fair value through other comprehensive income	1.37	1.66
Investments in term deposit accounts (original maturity more than 12 months)		
Term deposits with Indian Overseas Bank @	-	19.57
Total other investments	-	19.57
Total investments	13,320.39	13,340.25
Note: @ Includes against Bank Gurantees INR Nil (31.03.2018: INR nil); includes INR nil (31.03.2018 : INR nil) with more than 12 month maturity.		
Current investments		
Investments in term deposit accounts (original maturity more than 3 months and less than 12 months)		
Term deposits with Indian Overseas Bank	-	3.28
Total other investments	-	3.28
Category-wise investments		
Investment in equity instruments	1,213.00	1,213.29
Investment in preference shares	10,456.89	10,456.89
Investment in capital of partnership firm	1,650.50	1,650.50
Investment in term depost accounts with original maturity more than 3 months	-	22.85
Other disclosures		
Investment in subsidiaries	7,643.88	7,643.88
Investment in associates	4,024.64	4,024.64
Investment in capital of partnership firm	1,650.50	1,650.50

9 Loans (Unsecured, considered good unless otherwise stated)

Particulars	31 March 2019	31 March 2018
Non-current		
Security deposits	69.61	74.45
	69.61	74.45
Current		
Security deposits	549.74	544.56
Other loans and advances (a)	170.11	208.93
	719.85	753.49

Note: (a) includes INR 4.86 lakhs (31.03.2018 : INR 4.83 lakhs) to Private Companies having Common Director.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

10 Other assets

Particulars	31 March 2019	31 March 2018
Non-current assets		
<i>Unsecured, considered good</i>		
Advances for Purchase of Land / development (a)	5,603.89	4,875.48
Capital advances	27.25	46.08
<i>Unsecured, considered doubtful</i>		
Advances for Purchase of Land / development	700.00	700.00
	6,331.14	5,621.56
Less: Provision against advances for Purchase of Land / development	700.00	700.00
	5,631.14	4,921.56
Current assets		
<i>Unsecured, considered good</i>		
Prepaid expenses	27.98	25.87
Advances for material and works	1,845.51	2,018.77
	1,873.49	2,044.64

Note: (a) includes advance to Partnership firm in which the company is partner INR 89.96 lakhs (31.03.2018 : INR 89.96 lakhs)

11 Inventories

Particulars	31 March 2019	31 March 2018
Land at Cost	12,202.63	14,215.15
Land and construction work in progress - at cost	24,240.28	24,357.13
Food and Beverages - at cost	17.24	24.26
	36,460.15	38,596.54

12 Trade receivables

Particulars	31 March 2019	31 March 2018
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	18,319.21	19,812.54
Doubtful	1,246.96	1,246.96
	19,566.17	21,059.50
Provision for doubtful receivables	1,246.96	1,246.96
	18,319.21	19,812.54
Other receivables		
Unsecured, considered good	156.12	52.32
Total Trade receivables	18,475.33	19,864.86

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

13 Cash and bank balances

Particulars	31 March 2019	31 March 2018
Balances with banks:		
- On current accounts	439.81	409.55
Cash on hand	9.38	18.86
Cash and cash equivalents	449.19	428.41

14 Share Capital

Particulars	31 March 2019	31 March 2018
Authorised Share Capital		
250,000,000 (March 31, 2018: 250,000,000) equity shares of Rs.10 each	25,000.00	25,000.00
Issued equity capital		
70,267,291 (March 31, 2018: 70,267,291) equity shares of Rs.10 each	7,026.72	7,026.72
Subscribed and fully paid-up		
69,935,791 (March 31, 2018: 69,935,791) equity shares of Rs.10/- each fully paid-up	6,993.58	6,993.58
	6,993.58	6,993.58

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

Particulars	31 March 2019		31 March 2018	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	69,935,791	6,993.58	69,935,791	6,993.58
Issued during the year	-	-	-	-
Outstanding at the end of the year	69,935,791	6,993.58	69,935,791	6,993.58

Of the above:

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

(b) Terms / rights attached to the equity shares

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

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

Particulars	31 March 2019		31 March 2018	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
- D.Vijay Sen Reddy	12,315,183	17.61	12,315,183	17.61
- D.Hymavathi Reddy	8,237,618	11.78	8,237,618	11.78

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

15 Other equity

Particulars	31 March 2019	31 March 2018
Capital reserves		
Opening balance	475.80	475.80
Add: Additions during the year	-	-
Closing balance	475.80	475.80
Share premium		
Opening balance	40,762.16	40,762.16
Add: Premium on fresh issue	-	-
Closing balance	40,762.16	40,762.16
General reserve		
Opening balance	1,999.08	1,999.08
Add: Amount transferred from retained earnings	-	-
Closing balance	1,999.08	1,999.08
Retained earnings		
Opening balance	8,598.12	10,546.40
Profit/(loss) for the year	(1,296.53)	(1,947.58)
Other comprehensive income	(0.23)	(0.70)
Less: Transfers to general reserve	-	-
Closing balance	7,301.35	8,598.12
Total other equity	50,538.40	51,835.16

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

16 Borrowings

Particulars	31 March 2019	31 March 2018
Non-Current Borrowings		
Secured Loans		
Term Loans from Banks		
SBI consortium	-	-
[Secured by way of first joint mortgage/charge on the entire project assets of Princeton Towers, second charge on the current assets of the Princeton Towers project and personal guarantees of some of the directors & repayable in 28 quarterly installments]		
Indian Overseas Bank	-	-
[Secured by way of assignment of the receivables of the Gulmohar Project and value of unsold stock/debt of projects Prajay Enclave, Prajay Windsor Park and Prajay Harbour City & repayable in 20 quarterly installments of Rs.37.50 per quarter w.e.f. December 2013]		
Liquirent loan from Indian Overseas Bank	121.18	470.15
(Liquirent loan with a prime security of assignment of rent receivable for a period of 9 years commencing from March,2013)		
Equipment / Auto Loans	-	1.17
(Secured by hypothecation of vehicles and equipments acquired out of the said loan.		
The loans are repayable in 36 equated monthly instalments, except for one Loan in 60 equated monthly installments)		
Loans from related parties - Prajay Properties Private Limited	1,770.70	1,553.25
(ICD from Prajay Properties Secured by Mortgage of 49,869 Sft of office premises at Begumpet, land admeasuring Ac 11 Gts 33 in Sy. No.1222 at Shamirpet and land admeasuring 5168 Sq.Yds in Sy.Nos 1211 to1217 and 1226 at Shamirpet village along with the personal guarantee of some the Directors.		
The loan is repayable on the expiry of 72 months from the date of obtaining all statutory approvals for Prajay Megapolis project, which has not crystallised as on 31-3-19)		
Total non-current borrowings	1,891.88	2,024.57
Current Borrowings		
Secured loans from		
Life Insurance Corporation	-	42.49
(Secured against the Keyman Insurance Policy)		
Emami Realty Limited	55.00	200.00
(Secured against mortgage of 4 villas at Celebrity Villas)		
Deposits		
Unclaimed public deposits	1.39	1.39
Other deposits	70.00	70.00
Unsecured Loans	242.00	-
Unsecured loans from related parties *	4,292.91	4,190.85
Total current Borrowings	4,661.30	4,504.73

Note: * includes from subsidiaries

a) Prajay Retail Properties Pvt.Ltd. INR 907.01 lakhs (31.03.2018: INR 837.36 lakhs)

b) Prajay Holdings Pvt.Ltd. INR 1782.04 lakhs (31.03.2018: INR 1525.23 lakhs)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

17 Deferred tax liabilities

Particulars	31 March 2019	31 March 2018
Difference in WDV of PPE as per books and WDV as per Income tax Act	973.98	1,023.55
Deferred tax for opening Ind AS adjustments	313.84	350.88
Deferred tax for period Ind AS adjustments	(41.89)	(37.04)
	1,245.93	1,337.39

18 Trade payables

Particulars	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises	26.63	-
Others	20,731.58	21,786.24
	20,758.21	21,786.24

19 Other financial liabilities

Particulars	31 March 2019	31 March 2018
Current		
Current maturities of non-current borrowings	4,427.43	9,477.55
Interest accrued and due on borrowings	17,564.99	14,412.84
	21,992.42	23,890.39

20 Other current liabilities

Particulars	31 March 2019	31 March 2018
Advance from Customers	7,113.13	4,397.21
	7,113.13	4,397.21

21 Revenue from operations

Particulars	31 March 2019	31 March 2018
Construction division		
(a) Sale of Constructed Properties	672.72	259.78
(b) Revenue from Construction Contracts	424.96	2,237.20
(c) Sale of Land	2,510.18	140.89
Hospitality division		
(a) Sale of Rooms	294.42	285.31
(b) Food and Beverages	641.88	557.89
(c) Others	3.02	2.71
(d) Membership Fees	131.39	178.38
	4,678.57	3,662.16

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

22 Other income

Particulars	31 March 2019	31 March 2018
Interest income		
On fixed deposits	1.04	7.18
Others	4.45	3.45
Other operating revenues-Rental Income	360.38	308.03
Miscellaneous income	117.43	133.62
	483.30	452.28

23 Cost of sales

Particulars	31 March 2019	31 March 2018
a. Raw material and components consumed and development / construction costs:		
Inventory at the beginning of the year:		
- Land	14,215.15	14,193.15
- Constructed Properties	24,357.13	22,349.04
	38,572.28	36,542.19
Add: Purchases and development / construction costs	884.47	4,223.43
Less: inventory at the end of the year :		
- Land	12,202.63	14,215.15
- Constructed Properties	24,240.28	24,357.13
Sub total	36,442.91	38,572.28
Cost of raw material and components consumed and development / construction costs incurred:		
- Construction Contracts	369.53	1,945.39
- Development /Construction Costs	2,644.31	247.95
	3,013.84	2,193.34
b. Direct Cost of Hotels & Resorts		
Inventory at the beginning of the year	24.26	11.93
Add: Purchases	293.59	326.25
Less: inventory at the end of the year	17.24	24.26
Cost of food & others	300.61	313.92
Other Direct Expenditure	122.64	159.07
	423.25	472.99

24 Employee benefits expense

Particulars	31 March 2019	31 March 2018
Salaries, wages and bonus	444.87	502.79
Contribution to provident and other funds	12.79	17.81
Staff welfare expenses	12.36	6.06
	470.02	526.66
Less:Allocated to Projects	88.79	104.36
	381.23	422.30

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

25 Depreciation and amortisation expense

Particulars	31 March 2019	31 March 2018
Depreciation of tangible assets	417.89	490.36
Amortization of intangible assets	0.51	0.01
	418.40	490.37

26 Finance costs

Particulars	31 March 2019	31 March 2018
Interest on long term borrowings	4,509.49	5,457.63
Unwinding of interest on liabilities discounted	217.74	194.37
Finance charges payable under finance leases and hire purchase contracts	1.81	12.64
Bank Charges	14.27	11.48
	4,743.31	5,676.12
Less:Allocated to Projects	3,202.24	3,820.26
	1,541.07	1,855.86

27 Other expenses

Particulars	31 March 2019	31 March 2018
Advertisements	8.24	12.53
Legal and professional (a)	155.72	126.19
Power and fuel	199.01	213.47
Repairs and maintenance		
Buildings	10.59	3.29
Plant and machinery	35.11	8.39
Others	70.71	40.69
Insurance	21.38	26.95
Travel and conveyance	17.17	20.39
Rent	15.13	31.77
Rates and taxes	288.32	152.41
Loss on Sale of asset	3.09	-
Auditors' remuneration	12.59	13.90
Commission	-	10.94
Other general expenses	183.75	178.59
	1,020.81	839.51
Less:Allocated to Projects	248.74	110.99
	772.07	728.52

Note: a) includes professional charges paid to directors INR 24.00 lakhs (31.03.2018 : 32.40 lakhs)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

28. Related party transactions

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

	Name of the Party	Relationship	
(a)	Prajay Holdings Private Limited	Direct Subsidiary	
	Prajay Retail Properties Private Ltd	Direct Subsidiary	
	Secunderabad Golf and Leisure Resorts Private Limited	Direct Subsidiary	
	Prajay Developers Private Limited	Subsidiary of Prajay Holdings Private Limited	
	Prajay Binjusaria Estates	Associate	
	Prajay Properties Private Limited	Associate	
	Genesis Capital Private Limited (Mauritius)	Associate	
(b)	Other Related Parties	Designation	Relatives (Relation)*
	Mr.D.Vijay Sen Reddy	Additional Director w.e.f.25.04.2019 has been changed to Chairman and Managing Director w.e.f.26.04.2019.	Mr.Rohit Reddy (Son) Ms.D.Sarojini Reddy (Daughter)
	Mr. D.Rohit Reddy	Managing Director has been changed to Non-executive Director w.e.f.25.04.2019.	Mr. Vijay Sen Reddy (Father) Ms.D.Sarojini Reddy (Sister)
	Mr. K. Ravi Kumar	Whole time Director has been changed to Non-executive Director w.e.f.29.08.2018.	
	Mr. Sumit Sen	Whole time Director has been changed to Non-executive Director w.e.f.29.08.2018 and resigned w.e.f.14.11.2018	Mrs. Rina Sen (Wife)

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

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

Prajay Financial Services Limited	Prajay Chit Funds Private Limited
Prajay Velocity Developers Private Limited	Prajay Land Capital Private Limited
VijMohan Constructions Private Limited	Umbrella Water proofing
Design Experiment	

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

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

Description	Name of the Related Party	Subsidiaries / Step Down Subsidiaries		Enterprises over which Key Management Personnel is able to exercise significant influence		Key Management Personnel (KMP) and their relatives		Maximum amount of loans/advances outstanding during the year	
		31.3.2019	31.3.2018	31.3.2019	31.3.2018	31.3.2019	31.3.2018	31.3.2019	31.3.2018
Sale of land, property, material and work done	Prajay Properties Private Limited			424.96	2,237.20		-		
Remuneration paid	Umbrella Water Proofing	-	-	20.80	24.57		-		
Rent paid						27.90	(62.87)		
Professional Charges Paid						14.00	24.00		
Advances Given		2.84	0.33	744.38	31.43	48.00	60.13		
Repayment of Advances Taken		77.62	230.57	2,422.72	1,039.16	-	-		
Repayment of Advances given				27.58	553.06				
Advances Taken		403.09	357.89	1,988.73	2,787.23	-	-		
Balance at the end of the year									
	Prajay Developers Private Limited	4.08	4.07					4.08	4.07
	Prajay Land Capital Private Limited			0.78	0.76			0.78	0.76
	Secunderabad Golf and Leisure Resorts Private Limited	1,416.98			1,438.19			1,441.03	1,438.19
	Prajay Velocity Developers Private Limited			716.78				733.39	551.45
	Prajay Lifestyle UPVC Windows Private Limited			121.61	121.61			121.65	121.65
	Prajay Binjuseria Estates			89.97	89.97			89.97	89.97
	Umbrella Water Proofing				12.59			16.37	22.58
	Key Management Personnel					550.00	550.00	550.00	550.00
	Prajay Properties Private Limited			3200.00	3,200.00				
	Prajay Holdings Private Limited	1781.05	1525.23						
	Prajay Properties Private Limited			1934.35	1,869.20				
	Prajay Financial Services Limited			75.47	75.47				
	Prajay Retail Properties Private Ltd	907.02	837.37						
	Prajay Kamanwala Developers			2.50	2.50				
	Prajay Velocity Developers Private Limited				901.41				
	VijMohan Constructions Private Limited			0.11	0.11				
	Umbrella Water Proofing			6.17					
	Design Experiment			30.55	46.80				
	Key Management Personnel/relatives					1,577.10	884.34		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

29. Segment information

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

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

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

The following table present revenue and profit information for the Company's operating segments for the year ended March 31, 2019 and March 31, 2018 respectively.

29.C Segment Reporting

Business Segment	2018-19				2017-18			
	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total
Segment Revenue								
External	3,607.86	1,070.71	483.30	5,161.87	2,637.87	1,024.29	452.28	4,114.44
Total Revenue	3,607.86	1,070.71	483.30	5,161.87	2,637.87	1,024.29	452.28	4,114.44
Segment Result	(261.72)	17.65		(244.07)	(449.35)	(80.05)		(529.40)
Unallocated Corporate expenses net of unallocated income				(391.66)				(325.69)
Operating Profit				147.59				(203.71)
Interest Expense				1,541.07				1,855.86
Prior Period Adjustments				-				179.90
Interest Income				5.49				10.63
Dividend Income				-				-
Profit before Taxation				(1,387.99)				(1,869.04)
Income Tax				-				-
Prior period Tax				-				(93.73)
Deferred Tax				(91.46)				172.27
Net Profit/(Loss)				(1,296.53)				(1,947.58)
Other Comprehensive Income net of Tax				(0.23)				(0.70)
Total Comprehensive Income				(1,296.76)				(1,948.28)
Other Information				Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total
Segment Assets	74,436.96	27,094.64	13,906.96	115,438.56	77,990.88	25,148.07	13,878.22	117,017.17
Total Assets	74,436.96	27,094.64	13,906.96	115,438.56	77,990.88	25,148.07	13,878.22	117,017.17
Segment Liabilities	49,445.42	418.33	1,395.03	51,258.78	49,840.05	233.80	1,486.50	51,560.35
Total Liabilities	49,445.42	418.33	1,395.03	51,258.78	49,840.05	233.80	1,486.50	51,560.35
Capital Expenditure	39.78	7.39	-	47.17	1.93	13.96	-	15.89
Depreciation	372.08	46.32	-	418.40	431.46	58.91	-	490.37
Non Cash expense other than depreciation	-	-	-	-	-	-	-	-

Notes:

- Segments have been identified in accordance with Ind AS 108 on Segment Reporting, concerning the returns/risk profiles of the business. The company has identified business segments as mentioned below as primary segments for disclosure.
 - Construction and Development of Property.
 - Hospitality - Hotels & Resorts.
- As the operations of the company are only in India, there is no reportable geographical segment.
- Unallocated corporate expenditure includes common service expenses.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

30. Gratuity

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

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

31. Earnings per share

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

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

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

Particulars	31 March 2019	31 March 2018
Profit/(Loss) after tax attributable to shareholders in INR Lakhs	(1296.76)	(1948.28)
Weighted average number of equity shares of INR 10 each outstanding during the period used in calculating basic and diluted EPS	69,935,791	69,935,791
Earnings per Share (Basic & Diluted)	(1.85)	(2.79)

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

An amount of Rs.424.96 lakhs (31.03.2018 Rs.2,237.20 lakhs) is recognized as contract revenue by the company during the current financial year. The cost incurred in respect of the above is Rs. 369.53 lakhs (31.03.2018 Rs.1.945.39 lakhs).

34. Commitments and contingencies

a. Leases

Operating lease obligations: The Company has taken equipments and motor vehicles under Equipment /Auto Loan arrangements for which the legal ownership will be transferred to the company at the end of the Loan period as per the agreement. The Company has paid INR 30.01 lakhs (March 31, 2018 –INR 82.38 lakhs) during the year towards minimum lease payments.

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

Particulars	31 March 2019	31 March 2018
Within one year	1.51	48.50
After one year but not more than five years	nil	1.51
More than five years	nil	nil

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

b. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account is Nil (March 31, 2018 –Nil).

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

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
Guarantees given to banks (on behalf of Prajay Properties Pvt Ltd)	12,130.00	12,130.00
The following disputed liabilities are under appeal :	1820.62	
Service tax*	nil	1820.62
Income Tax	841.48	1405.12
VAT	Nil	Nil

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

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

35. Based on the information available with the Company, there are four suppliers who are registered as micro, small or medium enterprises under “The Micro, Small and Medium Enterprises Development Act, 2006” and as at March 31, 2019 the amount due to them by the company is Rs.26.63 lakhs.

36. Value of Import of CIF Basis

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
Construction related equipment and material -	Nil	Nil

37. Expenditure in Foreign Currency

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
Investments	Nil	Nil
Others	Nil	Nil

38. Auditors' Remuneration

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
For services as Auditor	11.20	11.20
For Tax Audit	1.50	1.50
For other Matters	0.94	--
For reimbursement of out of pocket expenses	0.16	0.35
For service tax/GST	1.50	1.29

39. (a) Trade Receivables (Note 12), unsecured considered good, includes Rs.19,566.17 lakhs (31-03-2018: Rs.21,059.50 lakhs), outstanding for more than six months. As a result of economic slowdown and recession in realty sector, the realizations from customers are slow. The company has provided Rs.1246.96 lakhs towards doubtful debts against Trade receivables, unsecured, considered doubtful.
- (b) Non-current assets (Note 10) include advances given to Landlords/ developers towards certain projects amounting to Rs.6,331.14 lakhs (31-03-2018: Rs.5,621.56 lakhs) and Short Term Loans and Advances to suppliers, etc amounting to Rs.1,845.51 lakhs (31-03-2018: Rs.2,018.77 lakhs) are outstanding. An amount of Rs.700 lakhs is set aside towards provision for advances considered as doubtful.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- (a) Name of the Partnership Firm - Prajay Binjusaria Estates
- (b) Total Capital of the said Firm is Rs.2055.50 lakhs (31-03-2018 : Rs.2055.50 lakhs)
- (c) Share of each partner in the Profit or Loss

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

41. The Secured Loan (Inter Corporate Deposit) of Rs.3,200.00 Lakhs from Prajay Properties Private Limited is continuing as Interest free by virtue of the agreement Dated 6th October '2009.

Since some of the statutory approvals for Prajay Megapolis project are yet to be obtained, crystallization of loan repayment time schedule has not taken place as on 31.03.19.

A demand notice has been received by the company from M/s Prajay Properties Private Limited (an associate company) under the signature of Ms.Jamila Mohamed Hamed Al Jabri, Investor nominee director of M/s Prajay Properties Private Limited(PPPL), stating that in the year 2010, an amount of INR 120.60 crores siphoned from PPPL in the name of Inter Corporate Deposits. However, we would like to inform that a settlement agreement has been reached with the investors which has not implemented for want of legal opinion from the investor's solicitor. The above said notice is also connected to the same matter. The company is taking appropriate steps to address the matter.

42. Financial risk management objectives and policies

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

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

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

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

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	Increase/decrease in interest rate	Effect on profit before tax(INR Rs.Lakhs)
March 31, 2019		
INR	+1%	(221.68)
INR	-1%	221.68
March 31, 2018		
INR	+1%	(235.44)
INR	-1%	235.44

b) *Credit risk*

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

Trade receivables

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

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

Financial Instrument and cash deposits

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

Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 2018 is the carrying amounts.

c) *Liquidity risk*

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

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2019						
Borrowings	312.96	432.66	3173.47	24626.52	--	28545.61
Trade payables	94.95	998.66	2390.00	17274.59	--	20758.20
Year ended March 31, 2018						
Borrowings	3926.08	2036.08	17845.45	5702.50	--	29510.10
Trade payables	235.31	842.43	3265.00	17443.50	--	21786.24

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

43. Capital management

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

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

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

Particulars	31 March 2019	31 March 2018
Net debt (Rs.Lakhs)	28545.60	30,419.69
Total equity(Rs.Lakhs)	57,531.98	58,828.74
Net debt to equity ratio	0.50	0.52

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

45. Due to search and seizure of company's physical and electronic data, computer hard disks, back up and computer servers by the Police Department pursuant to an order issued by the XVII Additional Magistrate , Hyderabad, with regard to the criminal complaint filed by Mrs.D.Hymavathi Reddy, belonging to promoter group of the company vide Cr.No.79 of 2019 of Jubilee Hills Police Station , Hyderabad, the company has not submitted the Audited Financial Results (Both Standalone and Consolidated) for the quarter and financial year ended 31st March, 2019. The company has made an application to Securities Exchange Board of India (SEBI), seeking relaxation from strict enforcement of Regulation 33 and the company has requested the Stock Exchanges for waiver of the fine paid/to be paid by the company for non-submission of financial results in time under carve-out policy as the company was not able to submit the said results for the reasons beyond its control. The has followed / has to follow the procedure as per SEBI/HO/CFD/CIR/P/2018/77 dated 3rd May, 2018.

46. Prior year comparatives

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

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

for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited

K.Peddabbai
Partner
Membership No : 025036
UDIN No : 19025036AAAABP3923

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

D.Rohit Reddy
Director
DIN: 07560450

Place : Hyderabad
Date : 14.08.2019

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

Y.K.Priyadarsini
Company Secretary
M No. A31287

Form AOC-1

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

Part "A": Subsidiaries

(Rs.Lakhs)

Sl. No.	Particulars	Details			
		Prajay Holdings Private Limited	Prajay Developers Private Limited (Step down Subsidiary)	Prajay Retail Properties Private Limited	Secunderabad Golf and Leisure Resorts Private Limited
1.	Name of the subsidiary				
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2019	31.03.2019	31.03.2019	31.03.2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA	NA
4.	Share capital	128.21	2,184.32	50.00	1.00
5.	Reserves & surplus	3,145.47	(13.48)	(148.63)	(408.90)
6.	Total assets	19,127.94	2,218.17	1,041.64	1,250.70
7.	Total Liabilities	18,036.58	47.34	1,140.28	1,658.60
8.	Investments	2,182.32	-	-	
9.	Turnover	212.71	-	0.29	
10.	Profit before taxation	(103.29)	(0.34)	(0.13)	(0.78)
11.	Provision for taxation	1.50	-		-
12.	Profit after taxation	(104.79)	(0.34)	(0.13)	(0.78)
13.	Proposed Dividend	Nil	Nil	Nil	Nil
14.	% of shareholding	78%	-	99.55%	99.99%

Notes:	
1	Names of subsidiaries which are yet to commence operations
	Prajay Developers Pvt.Ltd. (Step down subsidiary)
	Prajay Retail Properties Pvt.Ltd.
	Secunderabad Golf and Leisure Resorts Pvt.Ltd.
2	Names of subsidiaries which have been liquidated or sold during the year. - Nil

Part “B”: Associates

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

Name of associates	Prajay Properties Pvt. Ltd.	Genesis Capital Pvt. Ltd., Mauritius
1. Latest audited Balance Sheet Date	31.03.2019	31.03.2015
2. Shares of Associate/Joint Ventures held by the company on the year end	64,591	10,000
Amount of Investment in Associates/Joint Venture	Investment in Equity Rs.6.46 lacs and in Preference shares Rs.4013.00 lacs	5.18
Extend of Holding%	49.49%	50%
3. Description of how there is significant influence	Group Company	Common Director
4. Reason why the associate/joint venture is not consolidated	Share holding is less than 51%	Share holding is less than 51%
5. Net worth attributable to shareholding as per latest audited Balance Sheet	(779.51)	(6.03)
6. Profit/Loss for the year	(106.43)	(USD 18,311)
i. Considered in Consolidation	(52.67)	(5.18)
ii. Not Considered in Consolidation	(53.76)	Loss restricted to Investment

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

For and on behalf of the board
Prajay Engineers Syndicate Limited

Sd/-
Vijaysen Reddy Dantapalli
Chairman
DIN : 00291185

Place : Hyderabad
Date : 14.08.2019

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 2019, 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 2019, 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. 22340.73 lakhs as at 31 March 2019, the total revenues of Rs.213.00 lakhs and net cash flows amounting to Rs.(44.21) 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.53.16 lakhs for the year ended 31 March 2019 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.

Emphasis of Matters

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

- a. Note No. 41 and 42 relating to case filed in Hyderabad Bench of NCLT against the company and it's subsidiary company
- b. Note No. 37 relating to a demand notice received by the company,
- c. Note No. 44 relating to reasons for not submitting the audited financial results for the quarter and financial year ended 31 March 2019.
- d. Note No. 35(a) of the Consolidated Financial Statements, in respect of trade receivable considered good include an amount of Rs. 20188.69 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.
- e. Note No. 35(b) of the consolidated financial statements, in respect of Loans & Advances amounting to Rs.4916.86 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.
- f. Interest Accrued amounting to Rs.8648.02 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.8648.02 Lakhs (Including Rs.1361.60 Lakhs for the year).
- g. Included in short term Loans and Advances (Note 35B) is Rs.719.53 Lakhs which are outstanding for a long time. These unsecured advances are unlikely to be recovered and full provision should have been made.Accordingly, had full provision been made, provision for doubtful advances would have increased by Rs.719.53 Lakhs, net profit and Shareholder's Funds would have decreased by Rs.719.53 Lakhs.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, 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 thereon, 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
<p>Revenue from sale of residential and commercial units represents 78.09 % of the total revenue from operations of the company.</p> <p>Revenue recognition – Fixed price development contracts</p> <p>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).</p> <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</p> <p>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.</p> <p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue.</p> <p>At Year-end a significant amount of work in progress related to these contracts is recognized on the balance sheet.</p>	<p>Our audit procedures on revenue recognition included the following;</p> <ul style="list-style-type: none"> • 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 consolidated financial statement in respect of the judgment taken in recognizing revenue for residential and hospitality sector. <p>In addition, we have the performed the following procedures:</p> <p>Revenue recognition prior to receipt of OC / similar approval and intimation to the customer</p> <ul style="list-style-type: none"> • 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. <p>Measurement of revenue recorded over time which is dependent on the estimates of the costs of complete</p> <p>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;</p> <ul style="list-style-type: none"> • 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 consolidated financial statements)

The key Audit Matter	How the matter was addressed in our audit
<p>Inventories comprising of land, construction work in progress, food & beverages represent 42.41% of the Company's total assets.</p> <p>Assessing net realizable value</p> <p>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 cyclicalities 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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures to assess the net realizable value (NRV) of inventories included the following:</p> <ul style="list-style-type: none"> • 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
<p>Assessment of recoverability of land advances</p> <p>Land advance represents a sizeable portion of the Company's total assets.</p> <p>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.</p> <p>Further due to their materiality in the context of total assets of the company this is consider significant to our overall audit.</p>	<p>Our audit procedures to assess the recoverability of land advances included the following;</p> <ul style="list-style-type: none"> • 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.

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 thereon.

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

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 these 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 judgments 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 judgment and maintain professional skepticism throughout the audit. We also:

- 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 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

- (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;
 - (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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 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 2019 on its financial position in Its consolidated financial statements - Refer Note 34, 41 & 44 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 2019; 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 2019.

For and on behalf of

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

Place : Hyderabad
Date : 14.08.2019

K.Peddabai
Partner
M.No : 025036
UDIN NO : 19025036AAAABQ1919

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2019

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 2019 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 2019, 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.

Auditors’ 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Place : Hyderabad
Date : 14.08.2019

K.Peddabai
Partner
M.No : 025036
UDIN NO : 19025036AAAABQ1919

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars		As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	6	12,499.75	12,885.60
Capital work-in-progress		26,610.82	23,594.00
Goodwill on Consolidation		1,021.78	1,021.78
Intangible assets	7	1.97	2.47
Financial assets			
Investments	8	5,676.51	5,696.37
Loans	9	75.59	80.43
Other non-current assets	10	4,216.86	4,924.26
		50,103.28	48,204.91
Current assets			
Inventories	11	54,421.99	56,606.37
Financial assets			
Investments	8	-	14.93
Trade receivables	12	19,224.24	20,756.29
Cash and bank balances	13	511.41	534.07
Loans	9	1,504.99	1,606.76
Current tax assets, gross		661.47	609.59
Other current assets	10	1,873.49	2,044.64
		78,197.59	82,172.65
		128,300.87	130,377.56
Total assets			
Equity and Liabilities			
Equity			
Equity share capital	14	6,995.58	6,993.58
Other equity	15	50,929.59	52,793.68
Equity attributable to equity holders of the company		57,925.17	59,787.26
Non-Controlling Interest		92.01	115.06
Total equity		58,017.18	59,902.32
Non-current liabilities			
Financial Liabilities			
Borrowings	16	14,257.47	14,390.16
Provision for Gratuity		94.61	98.80
Deferred tax liabilities (net)	17	1,239.85	1,329.81
		15,591.93	15,818.77
Current liabilities			
Financial Liabilities			
Borrowings	16	1,977.34	2,146.22
Trade payables	18	22,552.57	23,457.80
Other financial liabilities	19	21,992.42	23,890.39
Other current liabilities	20	8,019.92	5,012.40
Liabilities for current tax assets		149.51	149.66
Total liabilities		54,691.76	54,656.47
Total equity and liabilities		128,300.87	130,377.56

Summary of significant accounting policies 1 to 5
 The accompanying notes are an integral part of the consolidated financial statements.

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

for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited

K.Peddabai
Partner
 Membership No: 025036
 UDIN NO : 19025036AAAABQ1919

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

D.Rohit Reddy
 Director
 DIN: 07560450

Place: Hyderabad
 Date: 14.08.2019

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

Y.K.Priyadarsini
 Company Secretary
 M No. A31287

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	21	4,887.94	4,121.37
Other income	22	486.93	469.04
Total income		5,374.87	4,590.41
Expenses			
Cost of Land, Plots and Constructed Properties	23	3,305.22	2,667.20
Direct Cost Hotels & Resorts	23	423.25	472.99
Employee benefits expense	24	386.69	425.70
Depreciation and amortisation expense	25	424.73	507.27
Finance costs	26	1,545.59	1,861.82
Other expenses	27	781.93	741.48
Total expense		6,867.41	6,676.46
Profit before non-controlling interests/share in profit/(loss) of associates		(1,492.54)	(2,086.05)
Share of Profit / (loss) of associates		(53.16)	(238.97)
Profit before exceptional items and tax		(1,545.70)	(2,325.02)
Exceptional items		-	179.90
Profit before tax		(1,545.70)	(2,145.12)
Tax expenses:			
Current tax		-	0.14
Prior Period Tax		-	(93.73)
Deferred tax charge		(89.96)	169.79
Total tax expense		(89.96)	76.20
Profit for the year		(1,455.74)	(2,221.32)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities		(0.29)	(0.87)
Re-measurement gains/ (losses) on defined benefit plan		-	-
Income-tax effect		0.06	0.17
Other comprehensive income for the year, net of tax		(0.23)	(0.70)
Total comprehensive income for the year		(1,455.97)	(2,222.02)
Profit attributable to :			
Owners of the company		(1,432.69)	(2,213.80)
Non Controlling Interest		(23.05)	(7.52)
Profit for the year		(1,455.74)	(2,221.32)
Total Comprehensive Income attributable to:			
Owners of the company		(1,432.92)	(2,214.50)
Non Controlling Interest		(23.05)	(7.52)
Profit for the year		(1,455.97)	(2,222.02)
Earnings per equity share (nominal value of INR 10) in INR			
Basic and Diluted		(2.08)	(3.18)
Summary of significant accounting policies	1 to 5		

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

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

 for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited
K.Peddabai
Partner
 Membership No: 025036
 UDIN NO : 19025036AAAABQ1919

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

D.Rohit Reddy
 Director
 DIN: 07560450

 Place: Hyderabad
 Date: 14.08.2019

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

Y.K.Priyadarsini
 Company Secretary
 M No. A31287

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

a. Equity Share Capital	No. of shares	Amount
Equity shares of INR 10 each issued		
At March 31, 2018	70,267,291	7,026.72
At March 31, 2019	70,267,291	7,026.72
Equity shares of INR 10 each subscribed and fully paid-up		
At March 31, 2018	69,935,791	6,993.58
At March 31, 2019	69,935,791	6,993.58

b. Other equity	Reserves and Surplus				Total
	Share Premium	Capital Reserve	General reserve	Retained Earnings	
At March 31, 2018	42,898.08	1,058.88	1,999.08	6,837.64	52,793.68
Other Equity of SGLRPL				(408.12)	(408.12)
Profit for the year				(1,455.74)	(1,455.74)
Other comprehensive income					
Net (loss)/ gain on Fair Value Through OCI (FVTOCI) equity securities				(0.29)	(0.29)
Re-measurement gains/ (losses) on defined benefit plans, net of tax				-	-
Income-tax effect				0.06	0.06
Balance as of 31 March 2019	42,898.08	1,058.88	1,999.08	4,973.55	50,929.59

Summary of significant accounting policies 1 to 5

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

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

 for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited
K.Peddabbai
Partner
 Membership No: 025036
 UDIN NO : 19025036AAAABQ1919

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

D.Rohit Reddy
 Director
 DIN: 07560450

 Place: Hyderabad
 Date: 14.08.2019

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

Y.K.Priyadarsini
 Company Secretary
 M No. A31287

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in Indian Rupees Lakhs, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Operating activities		
Profit before tax	(1,492.54)	(2,086.05)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	424.21	507.25
Amortisation of intangible assets	0.52	0.02
Finance income (including fair value change in financial instruments)	(5.78)	(11.92)
Finance costs (including fair value change in financial instruments)	1,545.88	1,862.69
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	1,532.05	84.47
(Increase)/ decrease in inventories	2,184.38	(1,960.06)
(Increase)/ decrease in loans	106.61	143.04
(Increase)/ decrease in other assets	878.55	585.80
Increase/ (decrease) in trade payables and other financial liabilities	(3,046.73)	3,170.46
Increase/ (decrease) in provisions	(4.19)	15.15
Increase/ (decrease) in other non financial liabilities	2,827.66	923.75
	4,950.62	3,234.60
Income tax paid	(52.03)	65.16
Net cash flows from operating activities	4,898.59	3,299.76
Investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(3,063.99)	(2,068.08)
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	34.50	26.91
Interest received (finance income)	5.78	11.92
Net cash flows used in investing activities	(3,023.71)	(2,029.25)
Financing activities		
Proceeds / (repayment) from long term borrowings, net	(132.69)	(278.83)
Proceeds / (repayment) from short term borrowings, net	(168.88)	1,016.41
Interest paid	(1,595.97)	(1,961.79)
Net cash flows from/ (used in) financing activities	(1,897.54)	(1,224.21)
Net increase / (decrease) in cash and cash equivalents	(22.66)	46.30
Cash and cash equivalents at the beginning of the year (refer note 13)	534.07	487.76
Cash and cash equivalents at the end of the year (refer note 13)	511.41	534.07

Note: Cash & Cash Equivalents INR 31.13 lakhs in Escrow account (31.03.2018 : INR 31.13 lakhs)

Summary of significant accounting policies. 1 to 5

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

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

for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited

K.Peddabai
Partner
Membership No: 025036
UDIN NO : 19025036AAAABQ1919

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

D.Rohit Reddy
Director
DIN: 07560450

Place: Hyderabad
Date: 14.08.2019

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

Y.K.Priyadarsini
Company Secretary
M No. A31287

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. General information

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

Description of the Group

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

Name	Relationship	Country of Incorporation	Percentage of ownership interests as at March 31, 2019	Percentage of ownership interests as at March 31, 2018
Prajay Holdings Private Limited (PHPL).	Subsidiary	India	78.00	78.00
Prajay Developers Private Limited (Formerly MVL Trading Company Private Ltd.)	Subsidiary of PHPL	India	100.00	100.00
Prajay Retail Properties Private Limited (Formerly Dillu Cine Enterprises Pvt Ltd)	Subsidiary	India	100.00	100.00
Secunderabad Golf and Liesure Resorts Private Limited	Subsidiary	India	100.00	--
Prajay Properties Private Limited (PPPL).	Associate	India	49.50	49.50
Prajay Land Capital Private Limited.	Associate (Subsidiary of PPPL)	India	99.98	99.98
Genesis Capital Private Limited	Associate	Mauritius	50.00	50.00

2. Basis of preparation of consolidated financial statements

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

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

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

2.1 Functional currency

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

2.2 Operating cycle

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

Assets:

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

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

Liabilities:

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

- it is expected to be settled in the normal operating cycle;

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

3. Significant accounting policies

3.1 Basis of consolidation

Subsidiaries

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

Associates (equity accounted investees)

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

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

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

Transactions eliminated on consolidation

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

Loss of Control

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

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

3.2 Business combinations and goodwill

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

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

transferred, the excess is recognised in equity as capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

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

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

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

3.3 Revenue recognition

Effective 1st April 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers'. The determination of revenue did not change upon the adoption of Ind AS 115 'Revenue from Contracts with Customers'.

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

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

Dividend and interest income

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

3.4 Cost of construction

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

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

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

3.5 Leases

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

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

3.6 Foreign currencies

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

3.7 Borrowing costs

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

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

3.8 Taxation

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

Current tax

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

Deferred tax

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

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

3.9 Earnings per share

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

3.10 Property, plant and equipment

Recognition and measurement

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

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

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

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

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

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting period. As at March 31, 2019 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Depreciation

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

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

3.11 Inventories

Inventories are valued as under:

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

3.12 Impairment of non-financial assets

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

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

3.13 Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

Termination benefits

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

Other long-term employee benefits

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

3.14 Provisions

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

3.15 Contingent liabilities & contingent assets

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

3.16 Financial instruments

Initial recognition

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

Subsequent measurement

Non-derivative financial instruments

- Financial assets carried at amortized cost

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

- Financial assets at fair value through other comprehensive income

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

- Investment in subsidiaries and associates

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

- Financial liabilities

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

4. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

5. Provision and contingent liability

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

6 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and Machinery	Furniture and fixtures	Computers	Vehicles	Total
Cost							
At March 31, 2017	430.85	11,642.93	2,205.83	111.93	8.18	196.98	14,596.70
Additions			11.49	1.82	1.01	-	14.32
Adjustments		24.97				2.02	26.99
At March 31, 2018	430.85	11,617.96	2,217.32	113.75	9.19	194.96	14,584.03
Additions			11.65	-	2.19	33.33	47.17
Adjustments			13.31				13.31
At March 31, 2019	430.85	11,617.96	2,215.66	113.75	11.38	228.29	14,617.89
Accumulated depreciation							
At March 31, 2017	-	357.58	707.38	45.34	5.53	82.75	1,198.58
Charge for the year		190.68	271.70	19.71	1.37	23.79	507.25
Less: Adjustments		6.54				0.86	7.40
At March 31, 2018	-	541.72	979.08	65.05	6.90	105.68	1,698.43
Charge for the year	-	190.97	201.93	8.71	0.87	21.74	424.22
Less: Adjustments			4.51	-	-		4.51
At March 31, 2019	-	732.69	1,176.50	73.76	7.77	127.42	2,118.14
Carrying amount							
At March 31, 2017	430.85	11,285.35	1,498.45	66.59	2.65	114.23	13,398.14
At March 31, 2018	430.85	11,076.24	1,238.24	48.70	2.29	89.28	12,885.60
At March 31, 2019	430.85	10,885.27	1,039.16	39.99	3.61	100.87	12,499.75

Notes:

- Capitalised borrowing costs The amount of borrowing costs capitalised during the year ended March 31, 2019 was INR Nil (March 31, 2018 - INR Nil).
- Charge on Property, plant and equipment with a carrying amount of INR Nil (March 31, 2018 - INR 189.15 lakhs) and Vehicles with a carrying amount of INR 6.32 lakhs (March 31, 2018 - INR 30.81 lakhs) are subject to a first charge to secure the Company's bank loans.

7 Intangible assets

Particulars	Computer softwares	Total
Cost		
At March 31, 2017	0.92	0.92
Additions	1.58	1.58
At March 31, 2018	2.50	2.50
Additions	-	-
At March 31, 2019	2.50	2.50
Accumulated depreciation		
At March 31, 2017	0.01	0.01
Charge for the year	0.02	0.02
At March 31, 2018	0.03	0.03
Charge for the year	0.50	0.50
At March 31, 2019	0.53	0.53
Carrying amount		
At March 31, 2017	0.91	0.91
At March 31, 2018	2.47	2.47
At March 31, 2019	1.97	1.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

8 Investments

Particulars	31 March 2019	31 March 2018
Non-current investments		
Investments carried at cost		
Unquoted equity shares		
<i>Investments in associates</i>		
64,595 (March 31, 2018: 64,595) equity shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	6.46	6.46
10,000 (March 31, 2018: 10,000) equity shares of face value USD 1 each fully paid up in Genesis Capital Private Limited, Mauritius	5.18	5.18
Unquoted Preference instruments		
<i>Investment in associate</i>		
40,130 (March 31, 2018: 40,130) optionally convertible preference shares of face value Rs. 10 each fully paid up in Prajay Properties Private Limited	4,013.00	4,013.00
Investment in the capital of Partnership firm		
50% (March 31, 2018: 50%) share in the profits of Prajay Binjusaria Estates	1,650.50	1,650.50
Total investments carried at cost	5,675.14	5,675.14
Investments carried at Fair Value Through Other Comprehensive Income (FVTOCI)		
<i>Quoted equity shares</i>		
9,500 (March 31, 2018: 9,500) equity shares of face value Rs.10 each, fully paid up in Indian Overseas Bank	1.37	1.66
Total investments carried at fair value through other comprehensive income	1.37	1.66
Investments in term deposit accounts (original maturity more than 12 months)		
Term deposits with Banks @	-	19.57
Total other investments	-	19.57
Total investments	5,676.51	5,696.37
Note: @ Includes against Bank Gurantees INR Nil (31.03.2018: INR nil); includes INR nil (31.03.2018 : INR Nil) with more than 12 month maturity.		
Current investments		
Investments in term deposit accounts (original maturity more than 3 months and less than 12 months)		
Term deposits with Indian Overseas Bank	-	14.93
Total other investments	-	14.93
Category-wise investments		
Investment in equity instruments	13.01	13.30
Investment in preference shares	4,013.00	4,013.00
Investment in capital of partnership firm	1,650.50	1,650.50
Investment in term depost accounts with original maturity more than 3 months	-	34.50
Other disclosures		
Investment in associates	4,024.64	4,024.64
Investment in capital of partnership firm	1,650.50	1,650.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

9 Loans (Unsecured, considered good unless otherwise stated)

Particulars	31 March 2019	31 March 2018
Non-current		
Security deposits	75.59	80.43
	75.59	80.43
Current		
Security deposits	560.72	544.56
Other loans and advances (a)	944.27	1,062.20
	1,504.99	1,606.76

Note: (a) includes INR 4.86 lakhs (31.03.2018 : INR 4.83 lakhs) to Privale Companies having Common Director.

10 Other assets

Particulars	31 March 2019	31 March 2018
Non-current assets		
<i>Unsecured, considered good</i>		
Advances for Purchase of Land / development (a)	4,189.61	4,878.18
Capital advances	27.25	46.08
<i>Unsecured, considered doubtful</i>		
Advances for Purchase of Land / development	700.00	700.00
	4,916.86	5,624.26
Less: Provision against advances for Purchase of Land / development	700.00	700.00
	4,216.86	4,924.26
Current assets		
<i>Unsecured, considered good</i>		
Prepaid expenses	27.98	25.87
Advances for material and works	1,845.51	2,018.77
	1,873.49	2,044.64

Note: (a) includes advance to Partnership firm in which the company is partner INR 89.96 lakhs (31.03.2018 : INR 89.96 lakhs)

11 Inventories

Particulars	31 March 2019	31 March 2018
Land at Cost	12,202.63	14,215.15
Land and construction work in progress - at cost	42,202.12	42,366.96
Food and Beverages - at cost	17.24	24.26
	54,421.99	56,606.37

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

12 Trade receivables

Particulars	31 March 2019	31 March 2018
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	18,941.73	20,398.20
Doubtful	1,246.96	1,246.96
	20,188.69	21,645.16
Provision for doubtful receivables	1,246.96	1,246.96
	18,941.73	20,398.20
Other receivables		
Unsecured, considered good	282.51	358.09
Total Trade receivables	19,224.24	20,756.29

13 Cash and bank balances

Particulars	31 March 2019	31 March 2018
Balances with banks:		
- On current accounts	496.52	509.27
Cash on hand	14.89	24.80
Cash and cash equivalents	511.41	534.07

14 Share Capital

Particulars	31 March 2019	31 March 2018
Authorised Share Capital		
250,000,000 (March 31, 2018: 250,000,000) equity shares of Rs.10 each	25,000.00	25,000.00
Issued equity capital		
70,267,291 (March 31, 2018: 70,267,291) equity shares of Rs.10 each	7,026.72	7,026.72
Subscribed and fully paid-up		
69,935,791 (March 31, 2018: 69,935,791) equity shares of Rs.10/- each fully paid-up	6,993.58	6,993.58
	6,993.58	6,993.58
Share Application Money	2.00	-

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

Particulars	31 March 2019		31 March 2018	
	No. of equity shares	Amount	No. of equity shares	Amount
Outstanding at the beginning of the year	69,935,791	6,993.58	69,935,791	6,993.58
Issued during the year	-	-	-	-
Outstanding at the end of the year	69,935,791	6,993.58	69,935,791	6,993.58

Of the above:

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

(b) Terms / rights attached to the equity shares

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Particulars	31 March 2019		31 March 2018	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
- D.Vijay Sen Reddy	12,315,183	17.61	12,315,183	17.61
- D.Hymavathi Reddy	8,237,618	11.78	8,237,618	11.78

15 Other equity

Particulars	31 March 2019	31 March 2018
Capital reserves:		
Opening balance	1,058.88	1,058.88
Add: Additions during the year	-	-
Closing balance	1,058.88	1,058.88
Share premium:		
Opening balance	42,898.08	42,898.08
Add: Premium on fresh issue	-	-
Closing balance	42,898.08	42,898.08
General reserve:		
Opening balance	1,999.08	1,999.08
Add: Amount transferred from retained earnings	-	-
Closing balance	1,999.08	1,999.08
Retained earnings:		
Opening balance	6,837.64	9,059.66
Retained Earnings of SGLRPL	(408.12)	
Profit/(loss) for the year	(1,455.74)	(2,221.32)
Other comprehensive income	(0.23)	(0.70)
Less: Transfers to general reserve	-	-
Closing balance	4,973.55	6,837.64
Total other equity	50,929.59	52,793.68

16 Borrowings

Particulars	31 March 2019	31 March 2018
Non-Current Borrowings		
Secured Loans		
Term Loans from Banks		
SBI consortium	-	-
[Secured by way of first joint mortgage/charge on the entire project assets of Princeton Towers, second charge on the current assets of the Princeton Towers project and personal guarantees of some of the directors & repayable in 28 quarterly installments]		
Indian Overseas Bank	-	-
[Secured by way of assignment of the receivables of the Gulmohar Project and value of unsold stock/debt of projects Prajay Enclave, Prajay Windsor Park and Prajay Harbour City & repayable in 20 quarterly installments of Rs.37.50 per quarter w.e.f. December 2013]		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	31 March 2019	31 March 2018
Liquirent loan from Indian Overseas Bank	121.18	470.15
(Liquirent loan with a prime security of assignment of rent receivable for a period of 9 years commencing from March,2013)		
Equipment / Auto Loans	-	1.17
(Secured by hypothecation of vehicles and equipments acquired out of the said loan.		
The loans are repayable in 36 equated monthly instalments, except for one Loan in 60 equated monthly installments)		
Loans from related parties - Prajay Properties Private Limited	1,770.70	1,553.25
(ICD from Prajay Properties Pvt.Ltd. secured by Mortgage of 49,869 Sft of office premises at Begumpet, land admeasuring Ac 11 Gts 33 in Sy. No.1222 at Shamirpet and land admeasuring 5168 Sq.Yds in Sy.Nos 1211 to1217 and 1226 at Shamirpet village along with the personal guarantee of some the Directors.		
The loan is repayable on the expiry of 72 months from the date of obtaining all statutory approvals for Prajay Megapolis project, which has not crystallised as on 31-3-19)		
Compulsorily Convertible Debentures	12,442.65	12,442.65
(held by White Stock Limited)		
1.Compulsorily Convertible Debentures of 716265 nos with face value Rs 1,000 each carry interest rate of 10% p.a issued on 24th October, 2007 and 28th February, 2008 with an option to convert in whole or in part within 8 years from the date of issue of such Debentures into such number of fully paid- up equity shares of the Company which is equal to the conversion price mutually agreed as per applicable laws. If at anytime within 8 years from the date of issue, the subscribers to such debentures do not exercise the right to conversion, the Company shall compulsorily convert such debentures into fully paid up equity shares of the Company at the expiry of 8 years.These Compulsorily Convertible Debentures have been issued under Foreign Direct Investment guidelines as issued by Government of India/RBI from time to time latest vide RBI Circular A.P.(DIR series) Circular No.20 dated December 14,2007 which classifies Compulsorily Convertible Debentures as equity instrument)		
2.Compulsorily Convertible Debentures of 5,28,000 nos with face value Rs.1000 each carry interest rate of 11% p.a (net of withholding tax) issued on 24th August, 2011 with an option to convert into equity shares of the company at on the date falling on the 8th anniversary of the first completion date.		
Less: Equity Component of CCD	1,127.06	1,127.06
	11,315.59	11,315.59
Debtore Application Money	1,050.00	1,050.00
Total non-current borrowings	14,257.47	14,390.16
Current Borrowings		
Secured loans from		
Life Insurance Corporation	-	42.49
(Secured against the Keyman Insurance Policy)		
Emami Realty Limited	55.00	200.00
(Secured against mortgage of 4 villas at Celebrity Villas)		
Deposits		
Unclaimed public deposits	1.39	1.39
Other deposits	70.00	70.00
Unsecured Loans	242.00	-
Unsecured loans from related parties	1,608.95	1,832.34
Total current Borrowings	1,977.34	2,146.22

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

17 Deferred tax liabilities

Particulars	31 March 2019	31 March 2018
Difference in WDV of PPE as per books and WDV as per Income tax Act	967.90	1,015.97
Deferred tax for opening Ind AS adjustments	313.84	350.88
Deferred tax for period Ind AS adjustments	(41.89)	(37.04)
	1,239.85	1,329.81

18 Trade payables

Particulars	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises	26.63	-
Others	22,525.94	23,457.80
	22,552.57	23,457.80

19 Other financial liabilities

Particulars	31 March 2019	31 March 2018
Current		
Current maturities of non-current borrowings	4,427.43	9,477.55
Interest accrued and due on borrowings	17,564.99	14,412.84
	21,992.42	23,890.39

20 Other current liabilities

Particulars	31 March 2019	31 March 2018
Advance from Customers	7,778.61	5,012.40
Accrued Lease Rent & Additional Development premium	241.31	-
	8,019.92	5,012.40

21 Revenue from operations

Particulars	31 March 2019	31 March 2018
Construction division		
(a) Sale of Constructed Properties	882.09	718.99
(b) Revenue from Construction Contracts	424.96	2,237.20
(c) Sale of Land	2,510.18	140.89
Hospitality division		
(a) Sale of Rooms	294.42	285.31
(b) Food and Beverages	641.88	557.89
(c) Others	3.02	2.71
(d) Membership Fees	131.39	178.38
	4,887.94	4,121.37

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

22 Other income

Particulars	31 March 2019	31 March 2018
Interest income		
On fixed deposits	1.33	8.47
Others	4.45	3.45
Other operating revenues-Rental Income	360.38	308.03
Miscellaneous income	120.77	149.09
	486.93	469.04

23 Cost of sales

Particulars	31 March 2019	31 March 2018
a. Raw material and components consumed and development / construction costs:		
Inventory at the beginning of the year:		
- Land	14,215.15	14,193.15
- Constructed Properties	42,366.96	40,489.95
	56,582.11	54,683.10
Add: Purchases and development / construction costs	1,127.86	4,566.21
Less: inventory at the end of the year :		
- Land	12,202.63	14,215.15
- Constructed Properties	42,202.12	42,366.96
Sub total	54,404.75	56,582.11
Cost of raw material and components consumed and development / construction costs incurred:		
- Construction Contracts	369.53	1,945.39
- Development / Construction Costs	2,935.69	721.81
	3,305.22	2,667.20
b. Direct Cost of Hotels & Resorts		
Inventory at the beginning of the year	24.26	11.93
Add: Purchases	293.59	326.25
Less: inventory at the end of the year	17.24	24.26
Cost of food & others	300.61	313.92
Other Direct Expenditure	122.64	159.07
	423.25	472.99

24 Employee benefits expense

Particulars	31 March 2019	31 March 2018
Salaries, wages and bonus	462.89	523.47
Contribution to provident and other funds	14.00	19.13
Staff welfare expenses	13.32	7.65
	490.21	550.25
Less: Allocated to Projects	103.52	124.55
	386.69	425.70

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

25 Depreciation and amortisation expense

Particulars	31 March 2019	31 March 2018
Depreciation of tangible assets	424.21	507.25
Amortization of intangible assets	0.52	0.02
	424.73	507.27

26 Finance costs

Particulars	31 March 2019	31 March 2018
Interest on long term borrowings	4,509.49	5,457.63
Unwinding of interest on liabilities discounted	217.74	194.37
Finance charges payable under finance leases and hire purchase contracts	1.81	12.64
Bank Charges	18.79	17.44
	4,747.83	5,682.08
Less:Allocated to Projects	3,202.24	3,820.26
	1,545.59	1,861.82

27 Other expenses

Particulars	31 March 2019	31 March 2018
Advertisements	8.24	12.53
Legal and professional (a)	156.16	127.61
Power and fuel	235.83	245.58
Repairs and maintenance		
Buildings	10.59	3.29
Plant and machinery	35.12	8.42
Others	72.81	44.54
Insurance	21.53	27.48
Travel and conveyance	18.48	22.36
Rent	15.13	31.77
Rates and taxes	291.91	155.57
Loss on Sale of Asset	3.09	-
Auditors' remuneration	14.39	15.28
Commission on Sales	-	10.94
Other general expenses	185.12	179.90
	1,068.40	885.27
Less:Allocated to Projects	286.47	143.79
	781.93	741.48

Note: a) includes professional charges paid to directors INR 24.00 lakhs (31.03.2018 : INR 32.40)

28. As stated in Note 3.3 (ii) for recognizing profit on projects, stage of completion is determined as a proportion that project costs incurred for the work performed bear to the estimated total costs. Further, as stated in the note expected loss on projects is recognized when it is probable that the total project costs will exceed the total project revenue. For this purpose total project costs are ascertained on the basis of project costs incurred and costs to completion of projects on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors. Further, in respect of certain properties where sale agreement has been entered with parties even though money has not been received as per stipulation in the contract, the Company has recognized revenue and debtors as management is confident that it shall be able to realize the sale proceeds.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

29. As stated in Note 3.3 (iii) the method used to recognize the contract revenue is percentage of completion method measured by survey of work performed. Further, as stated in that note expected loss on contracts is recognized when it is probable that the total contract cost will exceed the total contract revenue. For this purpose total contract cost is ascertained on the basis of contract cost incurred and cost to completion of contract on progress, which is arrived at by the Management, based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by auditors.
30. Inventories of constructed properties include land admeasuring 59 acres 21 guntas at Maheshwaram, Hyderabad, Telangana for which the subsidiary company has received approval vide letter no.1503/HADA/GH/2007 dated 08.10.2008 for development of Group housing layout, subject to certain conditions which include mortgage/charge on certain dwelling units to Hyderabad Metropolitan Development Authority(HMDA).

31. Related party transactions

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

	Name of the Party	Relationship	
(a)	Prajay Holdings Private Limited	Subsidiary	
	Prajay Retail Properties Private Ltd	Subsidiary	
	Secunderabad Golf and Leisure Resorts Private Limited	Subsidiary	
	Prajay Developers Private Limited	Subsidiary of Prajay Holdings Private Limited	
	Prajay Binjusaria Estates	Associate	
	Prajay Properties Private Limited	Associate	
	Genesis Capital Private Limited (Mauritius)	Associate	
(b)	Other Related Parties	Designation	Relatives (Relation)*
	Mr.D.Vijay Sen Reddy	Additional Director w.e.f.25.04.2019 has been changed to Chairman and Managing Director w.e.f.26.04.2019.	Mr.Rohit Reddy (Son) Ms.D.Sarojini Reddy (Daughter)
	Mr. D.Rohit Reddy	Managing Director has been changed to Non-executive Director w.e.f.25.04.2019.	Mr.D.Vijay Sen Reddy (Father) Ms.D.Sarojini Reddy (Sister)
	Mr. K. Ravi Kumar	Whole time Director has been changed to Non-executive Director w.e.f.29.08.2018.	
	Mr. Sumit Sen	Whole time Director has been changed to Non-executive Director w.e.f.29.08.2018 and resigned w.e.f.14.11.2018	Mrs. Rina Sen (Wife)
	Mrs.P.Purnima	Director in subsidiary and associate companies.	

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

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

Prajay Financial Services Limited	Prajay Chit Funds Private Limited
Prajay Velocity Developers Private Limited	Prajay Land Capital Private Limited
VijMohan Constructions Private Limited	Umbrella Water Proofing
Design Experiment	

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

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2018 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Description	Name of the Related Party	Enterprises over which Key Management Personnel is able to exercise significant influence		Key Management Personnel (KMP) and their relatives	Maximum amount of loans/advances outstanding during the year	
		31.3.2019	31.3.2018		31.3.2019	31.3.2018
Sale of land, property, material and work done	Prajay Properties Private Limited Umbrella Water Proofing	424.96 20.80	2,237.20 24.57	- -	- -	- -
Purchase of Materials	Prajay Lifestyle UPVC Windows Private Limited	-	-	35.00	(56.32)	-
Remuneration paid				14.00	24.00	-
Rent paid				48.00	60.13	-
Professional Charges Paid				-	-	-
Investments diluted during the year	Prajay Binjuseria Estates	-	-	-	-	-
Advances Given		744.38	31.43	-	-	-
Repayment of Advances Taken		2,422.72	1,039.16	-	-	-
Repayment of Advances given		27.58	553.06	-	-	-
Advances Taken		1,988.73	2,787.23	-	-	-
Balance at the end of the year						
	Prajay Developers Private Limited					4.08
	Prajay Land Capital Private Limited	0.78	0.76			0.78
	Vijimohan Constructions Private Limited	-	-			
	Secunderabad Golf and Leisure Resorts Private Limited					1,441.03
	Prajay Velocity Developers Private Limited	716.78				733.39
	Prajay Lifestyle UPVC Windows Private Limited	121.61	121.61			121.65
	Prajay Kamanwala Developers	-	-			
	Prajay Binjuseria Estates	89.97	89.97			89.97
	Umbrella Water Proofing		12.59			16.37
	Key Management Personnel			554.50	554.50	554.50
	Prajay Properties Private Limited	3200.00	3,200.00			
	Prajay Holdings Private Limited					
	Prajay Properties Private Limited	1934.35	1,869.20			
	Prajay Financial Services Limited	75.47	75.47			
	Prajay Retail Properties Private Ltd					
	Prajay Kamanwala Developers	2.50	2.50			
	Prajay Velocity Developers Private Limited		901.41			
	Vijimohan Constructions Private Limited	0.11	0.11			
	Umbrella Water Proofing	6.17				
	Design Experiment	30.55	46.80			
	Key Management Personnel/relatives			1,577.10	884.34	
Debit balances outstanding						
Credit balances outstanding						

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

32. Segment information

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

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

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

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

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

The following table present revenue and profit information for the Company's operating segments for the year ended March 31, 2019 and March 31, 2018 respectively.

32.C Segment Reporting

Business Segment	2018-19			2017-18				
	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total
Segment Revenue								
External	3,817.23	1,070.71	486.93	5,374.87	3,097.08	1,024.29	469.04	4,590.41
Total Revenue	3,817.23	1,070.71	486.93	5,374.87	3,097.08	1,024.29	469.04	4,590.41
Segment Result	(359.95)	17.65		(342.30)	(479.12)	(80.05)		(559.17)
Unallocated Corporate expenses net of unallocated income				(389.57)				(323.02)
Operating Profit				47.27				(236.15)
Interest Expense				1,545.59				1,861.82
Prior Period Adjustments				-				179.90
Interest Income				5.78				11.92
Dividend Income				-				-
Profit before Taxation				(1,492.54)				(1,906.15)
Income Tax				-				0.14
Prior period Tax				-				(93.73)
Deferred Tax				(89.96)				169.79
Other comprehensive income				(0.23)				(0.70)
Non Controlling Interest				(23.05)				(7.52)
Share of Net Profit/(Loss of Associate)				(53.16)				(238.97)
Net Profit				(1,432.92)				(2,214.50)
Other Information	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total	Construction & Development of Property	Hospitality Hotels & Resorts	Unallocated	Total
Segment Assets	93,846.49	27,094.62	7,359.76	128,300.87	97,886.85	25,148.04	7,342.67	130,377.56
Total Assets	93,846.49	27,094.62	7,359.76	128,300.87	97,886.85	25,148.04	7,342.67	130,377.56
Segment Liabilities	52,143.59	418.32	1,389.36	53,951.27	52,126.79	233.80	1,479.47	53,840.06
Total Liabilities	52,143.59	418.32	1,389.36	53,951.27	52,126.79	233.80	1,479.47	53,840.06
Capital Expenditure	39.78	7.39	-	47.17	1.93	13.97	-	15.90
Depreciation	378.41	46.32	-	424.73	448.36	58.91	-	507.27
Non Cash expense other than depreciation	-	-	-	-	-	-	-	-

Notes:

- Segments have been identified in accordance with Ind AS 108 on Segment Reporting, concerning the returns/risk profiles of the business. The company has identified business segments as mentioned below as primary segments for disclosure.
 - Construction and Development of Property.
 - Hospitality - Hotels & Resorts.
- As the operations of the company are only in India, there is no reportable geographical segment.
- Unallocated corporate expenditure includes common service expenses.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

33. Earnings per share

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

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

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

Particulars`	31 March 2019	31 March 2018
Profit/(Loss) after tax attributable to shareholders in INR Lakhs	(1,455.97)	(2,222.02)
Weighted average number of equity shares of INR 10 each outstanding during the period used in calculating basic and diluted EPS	69,935,791	69,935,791
Earnings per Share (Basic & Diluted)	(2.08)	(3.18)

Note: Dilution in EPS on account of compulsorily convertible debentures has not been considered as the terms of the debenture subscription agreement indicate that the number of equity shares to be issued against each debenture shall be decided within 8 years from the date of issue. The conversion ratio/price, as of the balance sheet date has not been decided.

34. Commitments and contingencies

a. Leases

Operating lease obligations: The Company has taken equipments and motor vehicles under Equipment /Auto Loan arrangements for which the legal ownership will be transferred to the company at the end of the Loan period as per the agreement. The Company has paid INR 30.01 lakhs (March 31, 2018 –INR 82.38 lakhs) during the year towards minimum lease payments.

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

Particulars	31 March 2019	31 March 2018
Within one year	1.51	48.50
After one year but not more than five years	nil	1.51
More than five years	nil	nil

b. Commitments

The estimated amount of contracts, net of advances remaining to be executed on capital account is Nil (March 31, 2018 – Nil).

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

Particulars	31 March 2019	31 March 2018
Guarantees given to banks(on behalf of Prajay Properties Pvt ltd)	12,130.00	12,130.00
The following disputed liabilities are under appeal by the company:		
Service tax*	1820.62	1820.62
Income tax	841.48	1405.12
VAT	Nil	Nil

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

Further, as per circular No.108/02/2009-ST, dated 29.01.2009 issued by CBEC, no service tax is payable on the construction of complex service for the impugned period 2006-07 to 2010-11. During the impugned period, the company deposited with the service tax authorities, whatever service tax collected from the customers. The company has filed appeal on 08.04.2013 with CESTAT, Bangalore, against order dated 04.01.2013 of commissioner of service tax. CESTAT has pronounced stay against recovery during the pendency of appeal.

35. (a) Trade Receivables (Note 12), unsecured considered good, includes Rs.20,188.69 lakhs (31-03- 2018: Rs. 21,645.16 lakhs), outstanding for more than six months. As a result of economic slowdown and recession in realty sector, the realizations from customers are slow. The company has provided Rs.1246.96 lakhs towards doubtful debts against Trade receivables, unsecured, considered doubtful.
- (b) Non-current assets (Note 10) include advances given to Landlords/ developers towards certain projects amounting to Rs. 4,916.86 lakhs (31-03-2018: Rs.5,624.26 lakhs) and Short Term Loans and Advances to suppliers, etc amounting to Rs.1,845.51lakhs (31-03-2018: Rs.2,018.77 lakhs) are outstanding. An amount of Rs.700 lakhs is set aside towards provision for advances considered as doubtful.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

(c) Interest accrues INR 8,648.02 lakhs (including INR 1361.60 lakh for the year), on compulsorily convertible debentures has not been provided for the period 24-11-2012 to 31-03-2019.

36. Based on the information available with the Company and the Group, there are four suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2019 and the amount due to them by the company is Rs.26.63 lakhs.

37. The Secured Loan (Inter Corporate Deposit) of INR 3200.00 lakhs from Prajay Properties Private Limited is continuing as interest free by virtue of the agreement dated 6th Oct, 2009

Since some of the statutory approvals for Prajay Megapolis Project are yet to be obtained, crystallization of loan repayment time schedule has not taken place as on 31.03.2019.

A demand notice has been received by the company from M/s Prajay Properties Private Limited (an associate company) under the signature of Ms. Jamila Mohamed Hamed Al Jabri, Investor nominee director of M/s Prajay Properties Private Limited (PPPL), stating that in the year 2010, an amount of INR 120.60 crores siphoned from PPPL in the name of Inter Corporate Deposits. However, we would like to inform that a settlement agreement has been reached with the investors which has not implemented for want of legal opinion from the investor's solicitor. The above said notice is also connected to the same matter. The company is taking appropriate steps to address the matter.

38. Financial risk management objectives and policies

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

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

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

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

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

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

Particulars	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2019		
INR	+1%	(367.88)
INR	-1%	367.88
March 31, 2018		
INR	+1%	(359.10)
INR	-1%	359.10

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

b) Credit risk

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

Trade receivables

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

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

Financial Instrument and cash deposits:

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

Counter party credit limits are reviewed by the Group and respective Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the respective Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counter party's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of consolidated financial position at 31 March 2019 and 2018 is the carrying amounts.

c) Liquidity risk

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

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual un discounted payments:(Amounts in INR lakhs)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2019						
Borrowings	312.96	432.66	3173.47	35210.06	--	39129.15
Trade payables	94.95	1023.66	2465.00	18968.96	--	22552.57
Year ended March 31, 2018						
Borrowings	3926.08	2036.07	17845.45	15705.49	--	39513.09
Trade payables	235.31	867.42	3340.00	19015.07	--	23457.80

39. Capital management

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

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

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

Particulars	31 March 2019	31 March 2018
Net debt	38,227.23	40,427.21
Total equity	58,017.18	59,902.32
Net debt to equity ratio	0.66	0.67

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

40. Prior year comparatives

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

41. Mrs. D. Hymavathi Reddy, one of the shareholders of the company, has filed a company petition CP No.119/HDB/2018 before the National Company Law tribunal (NCLT), Hyderabad Bench against the company. The matter is pending before the Hon'ble NCLT and the company has authorised its directors to represent the company before the Hon'ble court and make submissions, in the best interest of the stakeholders of the company.
42. A Petition was filed against M/s Prajay Holdings Private Limited, a subsidiary company under Section 241, 242 and/or other applicable provision of the Companies Act, 2013 before National Company Law Tribunal, Hyderabad by White Stock Limited, a foreign shareholder of the company Vide CP No.468/241/HDB/2018 and M/s Prajay Holdings Private Limited has authorized its directors to represent the company before the Hon'ble court and make submissions in the best interest of stakeholders of the company.
43. During the year M/s Secunderabad Golf and Liesure Resorts Private Limited has become 100% subsidiary of the company by virtue of transfer of shares from registered share holders / registered owners to the company (beneficial owner) who were holding the shares for and on behalf of the company. M/s Secunderabad Golf and Liesure Resorts Private Limited was initially created as an SPV to implement tender for 18 holes golf course.
44. Due to search and seizure of company's physical and electronic data, computer hard disks, back up and computer servers by the Police Department pursuant to an order issued by the XVII Additional Magistrate, Hyderabad, with regard to the criminal complaint filed by Mrs.D.Hymavathi Reddy, belonging to promoter group of the company vide Cr.No.79 of 2019 of Jubilee Hills Police Station, Hyderabad, the company has not submitted the Audited Financial Results (Both Standalone and Consolidated) for the quarter and financial year ended 31st March, 2019. The company has made an application to Securities Exchange Board of India (SEBI), seeking relaxation from strict enforcement of Regulation 33 and the company has requested the Stock Exchanges for waiver of the fine paid/to be paid by the company for non-submission of financial results in time under carve-out policy as the company was not able to submit the said results for the reasons beyond its control. The has followed / has to follow the procedure as per SEBI/HO/CFD/CIR/P/2018/77 dated 3rd May, 2018.

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

for and on behalf of the Board of Directors of
Prajay Engineers Syndicate Limited

K.Peddabbai

Partner
Membership No: 025036
UDIN NO : 19025036AAAABQ1919

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

D.Rohit Reddy
Director
DIN: 07560450

Place: Hyderabad
Date: 14.08.2019

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

Y.K.Priyadarsini
Company Secretary
M No. A31287



PRAJAY

PRAJAY ENGINEERS SYNDICATE LIMITED

CIN: L45200TG1994PLC017384

Regd. Office: 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad – 500016, Telangana

Phone: (+91-40)66285566 Email:- investorrelations@prajayengineers.com; pesl.cs@prajayengineers.com;

website: www.prajayengineers.com

ATTENDANCE SLIP

25th Annual General Meeting, Monday the 30th day of September, 2019 at 3.00 P.M.

(To be presented at the entrance)

Regd. Folio/		DP ID*	
Shares held		Client ID	

Name of Share Holder	
Name of Proxy	

I hereby certify that I am registered shareholder/proxy/ representatives of the registered shareholder (s) of Prajay Engineers Syndicate Limited.

I hereby record my presence at the 25th Annual General Meeting to be held on Monday, the 30th day of September, 2019 at 3.00 P.M. at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad-500016, Telangana.

SIGNATURE OF THE MEMBER / PROXY :

If Member, please sign here

If Proxy, please sign here

Note:

1) To be signed at the time of handing over the slip.

*Members are requested to register their names atleast 15 minutes prior to be commencement of the Meeting.



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FORM-No-MGT-11

Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No/ Client Id	
DP Id	

I/ We, being the member(s) of _____ shares of the above named company, hereby appoint:

1 Name : _____
Address : _____

E-mail id of failing him : _____ Signature : _____
failing him/her

2 Name : _____
Address : _____

E-mail id of failing him : _____ Signature : _____
failing him/her

3 Name : _____
Address : _____

E-mail id of failing him : _____ Signature : _____
failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and on my/our at the 25th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2019 at 3.00 P.M. at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad- 500016, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:



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S. No	Resolutions	Vote**	
		For	Against
ORDINARY BUSINESS:			
1	To adopt Audited Financial Statements of the Company – both Standalone and Consolidated for the year ended 31.03.2019.		
2	To appoint a Director in place of MrRohit Reddy Dantapalli, who retires by rotation, and being eligible offers himself for re-appointment.		
3	Regularisation of Appointment of Mr. Vijaysen Reddy Dantapalli, as a Director of the Company		
4.	To approve the appointment of Mr. Vijaysen Reddy Dantapalli as a Managing Director of the Company.		
5.	Appointment of Mr. L. Jaya Simha Reddy, as an Independent Director of the Company.		

Signed this _____ day of _____ 2019

Signature of the Share holder: _____

Signature of the Proxy holder(s)

Note:

Please Affix
₹. 1/-
Revenue
Stamp

Signature

Notes:

1. The proxy, duly completed in all respects, should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before time fixed for holding the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4.**This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



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website: www.prajayengineers.com

FORM-No-MGT-12

Polling Paper

Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21 (1) (c) of the Companies (Management and Administration) Rules, 2014.

Name of the Company	
Registered Address	
Ballot Paper	
Name of the First Named Shareholder	
Postal Address	
Folio No/ Client Id & DP Id	
Class of shares	

I hereby exercise my vote in respect of Ordinary / Special Resolutions enumerated to be considered in 25th Annual General Meeting of the Company to be held on Monday, the 30th day of September, 2019 at 3.00 P.M. at 1-10-63 & 64, 5th Floor, Prajay Corporate House, Chikoti Gardens, Begumpet, Hyderabad- 500016, Telangana, by recording my assent or dissent to the said resolutions in the following manner:

S.No.	Item No.	No. of Shares held by me	I Assent to the Resolution	I Dissent to the Resolution
1	To adopt Audited Financial Statements of the Company – both Standalone and Consolidated for the year ended 31.03.2019.			
2	To appoint a Director in place of Mr Rohit Reddy Dantapalli, who retires by rotation, and being eligible offers himself for re-appointment.			
3	Regularisation of Appointment of Mr. Vijaysen Reddy Dantapalli, as a Director of the Company			
4.	To approve the appointment of Mr. Vijaysen Reddy Dantapalli as a Managing Director of the Company.			
5.	Appointment of Mr. L. Jaya Simha Reddy, as an Independent Director of the Company			

Place:

Date:

(Signature of the Shareholder)



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| Prajay Virgin County - Maheshwaram



Prajay Water Front City Phase - I |



| Club House - Prajay Water Front City

By Courier / Regd. Post

If undelivered, please return to:

PRAJAY

Prajay Engineers Syndicate Limited

CIN: L45200TG1994PLC017384

Registered Office:

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