

18th April, 2019

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

Dear Sir/Madam,

Sub: Clarification on defamation article published in the Economic Times April 18, 2019, titled "Partners Accuse Prajay Promoters of Mismanagement; Move NCLT".

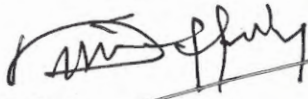
With reference to the above referred paper publication we would like inform the exchanges and stakeholders of the company that the article is baseless and factually incorrect. The said Newspaper article seems to be highly motivated and trying to tarnish the company's image.

We further would like to inform we have already intimated the stock exchanges and stakeholders about the cases filed by the Investors against the company and its subsidiaries/associates with requisite details vide our intimation dated 30-11-2018 and our clarification dated 11-12-2018.

Thanking you

Yours faithfully

For Prajay Engineers Syndicate Limited


D. Vijaysen Reddy
Authorised Signatory



Prajay Engineers Syndicate Ltd.

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Partners Accuse Prajay Promoters of Mismanagement; Move NCLT

Urge tribunal to order forensic audit of the co, restrain management from selling any assets

CR.Sukumar@timesgroup.com

Hyderabad: Foreign and local partners of Prajay Engineers Syndicate have moved the National Company Law Tribunal (NCLT), accusing the promoters of the real estate and property development firm of mismanagement and malaise, thereby eroding its substratum and raising the risk of winding up.

Global partners Belclare and Whitestock, and a group of domestic shareholders led by Hymavathi Reddy, widow of its former chief promoter DS Chandra Mohan Reddy, filed separate petitions in the NCLT. They urged the tribunal to order a forensic audit of Prajay Engineers and restrain its management led by chairman and mana-



ging director D Vijay Sen Reddy from alienating any assets. They also sought annulment of contracts entered into by the promoters against the provisions of foreign investment agreements.

Belclare, a Cyprus-based firm owned by Oman's State General Reserve Fund, had invested ₹70 crore in step-down property development subsidiaries of Prajay Engineers in May 2010. It has now accused Vijay Sen Reddy and others in the management of violating agreements on governance and corporate compliance. Belclare said it was excluded from the affairs of the entities where it had

invested in and that it had not received any financial statements or information on the progress of the projects undertaken by the entities ever since it had made the investments.

According to the Cyprus firm, it learnt that its investments into Prajay Properties were diverted to parent Prajay Engineers through inter-corporate deposits and then siphoned off. Belclare told the tribunal that it had appointed PricewaterhouseCoopers to conduct a forensic audit of the books of the Prajay Engineers entities, but the auditing firm wasn't allowed to carry out it despite repeated requests.

Belclare alleged that the promoters led by Vijay Sen Reddy had resorted to "making material decisions, including altering the composition of the board by way of fictitious board meetings". The investor said Vijay Sen Reddy had repeatedly requested it to retrospectively sign the "fictitious minutes" of such board meetings. "There was also a request from respondent No 4 (Vijay Sen Reddy) to backdate minutes of a meeting that in fact did not take place," it claimed.

Hyd Leads Leasing in

City overtakes B... which saw the m... halve, by leasing... sq ft during the

Our Bureau

Mumbai | Bengaluru Bengaluru overtook Bengaluru first time to emerge as officespace market in the first quarter more than three-fold space leased to 3.5 million sq feet from 1.1 million sq feet ago. Bengaluru, on the other hand, saw the market to 2.5 million sq ft from 1.5 million sq ft during this period. During the three-month period, gross leasing rose 3% in Bengaluru, Bengaluru and the Delhi-National Capital Region accounting for more than 50% of the space leased, according to CBRE South Asia