



Prerna finsafe Ltd

Notice is hereby given that the Sixteenth Annual General Meeting of the members of Prerna Finsafe Limited will be held on Thursday, 30th September, 2004 at 10.00 a.m. at 606, Doctor House, C.G. Road, Ahmedabad to transact the following business:

ORDINARY BUSINESS

1. To receive consider & adopt the Balance Sheet as at 31st March 2004, the Profit & Loss Account for the year ended on that date and the reports of the Directors' & Auditors' thereon.
2. To appoint a Director in place of Smt Nalini Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s C. N. Shah & Co., Chartered Accountants, Ahmedabad as Auditors of the Company to hold office from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company.

SPECIAL BUSINESS

4. To consider and if thought fit to pass, with or without modification, the following Resolution as an Ordinary Resolution.

"Resolved that Shri Sanket Shah 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 257 of the Companies Act, 1956 from a Member proposing the candidature of Shri Sanket Shah for the office of Director be and is hereby appointed as Director of the Company."

5. To consider and if thought fit to pass, with or without modification, the following Resolution as an Ordinary Resolution.

"Resolved that Shri Mahendra K. Gosalia 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 257 of the Companies Act, 1956 from a Member proposing the candidature of Shri Mahendra K. Gosalia for the office of Director be and is hereby appointed as Director of the Company."

Date: 30/6/04.

For and on behalf of the
Board of Directors

Place: Ahmedabad

Director

[Vijay Shah]

Regd. Office : 6th floor, Doctor House, C.G. Road, Ahmedabad - 380 006.

Tel. : 33003005, 30918282, 26438383 • E-mail : info@prernagroup.com • Website : www.prernagroup.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Transfer Book of the Company will be closed from Wednesday, 22/09/2004 to Thursday, 30/09/2004 both days inclusive.
3. Shareholders desiring any information as regards the Accounts are requested to write to the Company at least five days in advance of the annual general meeting to enable the Management to keep the information ready at the meeting.
4. Members are requested to notify the Company immediately the changes, if any, in the address in full with the postal area, pin code number quoting their folio number.
5. Explanatory statement pursuant to Section 173(2) of the Companies Act 1956 is annexed to the notice.

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956)

Item no 4 & 5

Shri Shri Sanket Shah & Shri Mahendra K. Gosalia were appointed by the Board of Directors as an Additional Directors of the Company with effect from 29/5/04 & 24/10/03 respectively and hold office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956. Shri Sanket Shah & Shri Mahendra K. Gosalia are eligible for reappointment and in respect of whom the Company has received notices in writing under Section 257 of the Companies Act, 1956 from Members proposing their candidature for the office of Director.

The Board commends the Resolution in the interest of the Company.

None of the other Director is in any way concerned or interested in the proposed Resolution.

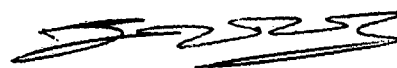
For and on behalf of the Board of Directors

Place : Ahmedabad

Director

Date : 30/6/04

[Vijay Shah]



Profile of the Directors seeking appointment/reappointment.

Name : Shri Sanket Shah
 Address : Prerna Tirth II, Satellite, Ahmedabad
 Age : 23 years

Nationality : Indian
Occupation : Business
Qualification : M.B.A
Experience : 2 Years
Date of appointment: 29/5/04

Name : Shri Mahendra Gosalia
Address : Prerna Shikhar, Vastrapur, Ahmedabad
Age : 60 years
Nationality : Indian
Occupation : Engineer
Qualification : Chemical Engineer
Experience : 30 Years
Date of appointment: 24/10/03

Name : Smt Nalini Shah
Address : Prerna Tirth II, Satellite, Ahmedabad
Age : 50 years
Nationality : Indian
Occupation : Business
Qualification : B.A
Experience : 25 Years

To**The Members****Prerna Finsafe Limited**

Your Directors presents their Sixteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March 2004.

FINANCIAL RESULTS:

	2003-04	2002-03
	(RS in Lac)	(RS in Lac)
Profit/[-]Loss	69.48	20.37
Loss Carried To Balance Sheet	-708.01	-727.11

MANAGEMENT DISCUSSION & ANALYSIS

- Construction & Realities Industry**

The Indian economy fared well with an estimated GDP growth of around 7% after a sluggish 4.4% during 2002-03. Construction which accounts for over 5% of India's GDP, registered a growth of 6.5 % during 2003-04.

- Company's Performance**

Aided by Improved business environment, the company performed well during 2003-04. The company also undertook major initiative to enhance its value propositions. The company has only one business segment namely real estate development.

- Internal Control Systems & their Adequacy:**

The company has proper & adequate system of their internal controls proportionate to its size and business. The internal control system of the company are designed to ensure that the financial and other records are reliable for preparing financial statements and other data.

- Cautionary Statement:**

The Management Discussion & Analysis Report may contain certain statement that might be considered forward looking within the meaning of applicable securities, laws and regulations. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the Company's operations such as Government policies, tax laws, political and economic development.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement, a report on corporate governance along with auditors' certificate of its compliance is included as part of the annual report.

DIRECTORS:

Smt Nalini Shah Director will retire by rotation and being eligible, offer himself for reappointment.

AUDITORS AND AUDITORS' REPORT:

The Auditors' M/s C.N. Shah & Co., Chartered Accountants, Ahmedabad holds office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment for the year 2003-2004. The Company has received certificate from the Auditors' to the effect that the reappointment if made, would be within prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

The notes on accounts are self-explanatory and do not require further clarifications.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN

EXCHANGE EARNINGS AND OUTGO:

Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988:

Part A and B pertaining to conservation and technology absorption is not applicable to the Company. However the Company endeavored to conserve energy consumption wherever feasible.

The Company has neither used nor earned any foreign exchange during the year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to sub-Section (2AA) of Section 217 of Companies Act'1956 the Board of Directors of the Company hereby State and confirm that:

- (v) in preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (vi) the Directors had selected such accounting policies and applied them consistently and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at end of the financial year and of the profit or loss of the company for that period;
- (vii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

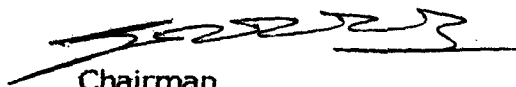
safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(viii) the Directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

The information as required under Section 217(2A) of the Companies Act 1956 read with Companies (particulars of employees' amendment) Rules, 1988 as amended from time to time is nil.

For and on behalf of the Board of Directors



Place : Ahmedabad

Chairman

Date : 30/6/04

[Vijay Shah]

Registered office:

606, Doctor House, C. G. Road,

Ahmedabad

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CORPORATE GOVERNANCE – PRERNA FINSAFE LIMITED

(As required by clause 49 of the Listing Agreement with the stock exchange)

This section on Corporate Governance forms part of the Directors' Report to the shareholders. This report is given in terms of clause 49 of the Listing Agreement entered with the Ahmedabad & Mumbai Stock Exchanges where the shares of the Company have been listed.

MANDATORY REQUIREMENTS**1. Company's Philosophy & Code of Governance**

The Cornerstone of your company's corporate governance policy is directed towards:

Adherence to ethical business practices.

2. Board of Directors

Composition of Board:

The Board of Directors consists of 4 [Four] members and all are non executive directors. The company has a nonexecutive Chairman and the number of independent director is one third of the total number of directors. The composition of the Board is in conformity with clause 49 of the Listing Agreement.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49), across all the Companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions.

The Composition of the Board as on 31st March 2004 was as under.

				Attendance			Other Committee	
				Particulars			Membership	
				Board	Last	Other	Member	Chairman
				Meeting	AGM	Directorships		
Category								
Directors								
Shri	Vijay	C.	NENI	4	Y	2	0	1
Shah								
Smt	Nalini	V.	NENI	4	Y	2	1	0
Shah								
Smt	Swetal	C.	NI	4	Y	0	0	0
Parikh								

