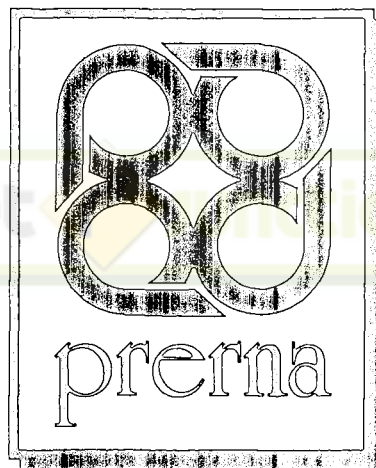


20<sup>th</sup>  
ANNUAL  
REPORT  
2007-08



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PRERNA Infrabuild Ltd.

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# PRERNA INFRABUILD LTD.

## CORPORATION INFORMATION

### Board of Directors

Chairman Vijay C. Shah

Wholetime Director Naliniben V. Shah

Wholetime Director Finance Sanket V. Shah  
Swetal C. Parikh  
Dinesh Kamdar  
Kiranbhai Shah

Audit Committee Chairman Swetal C. Parikh  
Kiranbhai Shah  
Sanket V. Shah

Remuneration Committee Chairman Kiranbhai Shah  
Swetal C. Parikh  
Dinesh Kamdar

Company Secretary Pinakin Shah  
C-103, Panchdhara Plaza,  
Satelite Road, Ahmedabad-380 015.

Auditors Dinesh P. Shah & Company  
*Chartered Accountant*  
94, Madhuban, B/h. Town Hall,  
Ellisbridge, Ahmedabad-06.

Registered Office 606, Doctor House,  
Nr. Parimal Rly. Crossing,  
Ahmedabad-380 006.

Site Office "Prerna", Prerna Manor,  
Opp. Ananddham Derasar,  
S. G. Highway, Ahmedabad.

Register & Share Transferred Agent Pinnacle Shares Registry Pvt. Ltd.  
Near Ashok Meals, Naroda Road,  
Ahmedabad-380 025

Website [www.pernagroup.com](http://www.pernagroup.com)

Bank Development Credit bank  
C. G. Road Branch,  
Ahmedabad.



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## PERNA Infrabuild Ltd.

### NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the members of Perna Infrabuild Limited will be held on Saturday, 23<sup>rd</sup> August, 2008 at 10.00 a.m. at the Registered Office of the Company at 6<sup>th</sup> Floor, Doctor House, Nr. Parimal Crossing, Ahmedabad to transact the following business:

#### ORDINARY BUSINESS

1. To receive consider & adopt the Balance Sheet as at 31<sup>st</sup> March, 2008, 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 Shri Dinesh Kamdar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri Kiranbhai Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Dinesh. P. 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.

#### Registered Office

6<sup>th</sup> Floor, Doctor House  
Near Parimal Garden  
Ahmedabad-380006  
Date : 30/6/08

For and behalf of Board of Directors

**Vijay C. Shah**

Chairman & Managing Director

#### 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. Proxies, in order to effective must be received at Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of the Members & Transfer Book of the Company will be closed from 16/8/08 to 23/8/08 [both days inclusive].
4. Shareholders desiring any information as regards the account are requested to send in their questions so as to reach the company at least five days before the Annual General Meeting so that the same can be suitably replied
5. Share transfer documents and all correspondence relating to should be addressed to registrar and share transfer agents of the company, M/s. Pinnacle Shares registry private limited., Nr Ashoka Mill, Naroda Road, Naroda Ahmedabad - 380 025 Tel. : 079 - 22204226, 22200338, 22200582 Fax : 079-22202963 E-mail:gautam.shah@psrpl.com & investor.service@psrpl.com
6. At the ensuing Annual General Meeting Shri Dinesh Kamdar and Shri Kiranbhai Shah shall retire by rotation and being eligible offer themselves for reappointment.



## PRERNA Infrabuild Ltd.

Pursuant to clause 49 of the Listing Agreement the Particular of the Directors to be reappointed are given below :

Profile of the Directors seeking appointment/reappointment.

1. Name : Shri Dineshbhai Kamdar  
 Address : 5-A, Krishna Society,  
 Ellisbridge, Ahmedabad.  
 Age : 64 Years  
 Nationality : Indian  
 Occupation : Business  
 Qualification : Diploma in Mechanical Engineer  
 Experience : 30 Years.  
 Date of appointment : 12/08/2006
2. Name : Shri Kiranbhai Shah  
 Address : B-3, Matru Ashish,  
 7<sup>th</sup> Floor, Nepeancy Road,  
 Mumbai.  
 Age : 62 Years  
 Nationality : Indian  
 Occupation : Business  
 Qualification : Architect BE. Civil  
 Experience : 28 Years  
 Date of appointment : 12/08/2006

### Registered Office

6<sup>th</sup> Floor, Doctor House  
 Near Parimal Garden  
 Ahmedabad-380006  
 Date : 30/6/08

For and behalf of Board of Directors

**Vijay C. Shah**  
 Chairman & Managing Director



## PRERNA INFRABUILD LTD.

### DIRECTORS REPORT

To  
The Members,  
Prerna Infrabuild Limited,  
Ahmedabad.

Your Directors presents their 20<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2008.

### FINANCIAL RESULTS :

	2007-08 (Rs in Lac)	2006-07(Rs in Lac)
Profit before tax	131.48	136.10
Provision for Taxation	45.40	30.55
Profit after Taxation	86.08	105.37
Balance Carried Forward	115.45	29.33

The Board does not recommend any dividend for the year under review to conserve the resources.

### MANAGEMENT DISCUSSION & ANALYSIS

#### Industry structure and development

Real estate industry is touching new heights. The positive outlook of government is the key factor behind rise of the Real Estate sector. This sector is witnessing development in all area such as - residential, retail and commercial.

Real Estate in Ahmedabad is booming and is undergoing dramatic changes; the development of residential townships, malls, office spaces, flyovers and roads are fast changing the Ahmedabad cityscape.

The government authorities are encouraging the growth of six types of mini townships in Ahmedabad:

- Technology Parks
- Education based townships
- Medical and Health care townships
- Tourism and tourism related townships
- Logistics Parks
- Residential townships

These developments, coupled with healthy economic growth indicators triggered a lot of activity and capital appreciation in the sector over the past few years.

Over the long term, the demand for commercial, retail and residential segments will remain strong notwithstanding the global uncertainties on account of the sub prime crisis, potential US slowdown and a weakening dollar.

## PRERNA INFRABUILD LTD.



### Opportunities

We aim to provide innovative range of solutions, which are cost effective, market driven and are in conformity with the quality standards of real estate industry.

Our vision is to be a leader in the real estate industry with best client service.

### Threats :

- Low profit margins and an inequitable distribution of technological risk and financial reward.
- The pressures of time, cost and programme, rather than quality and value in the delivery of its products and services.
- There is a heavy reliance on "lowest tender" contracting systems.
- The Industry's image affects its ability to attract the best employees.
- The Industry is fragmented into many self-interest groups.

### COMPANY'S PERFORMANCE & FUTURE OUTLOOK

Aided by improved business environment, the company performed well during 2007-2008. The company also undertook major initiative to enhance its value propositions. The company has only one business segment namely real estate development.

### RISK AND CONCERNS

Barring a handful of large companies, the industry set up is characterized by the performance of small-unorganized contractors. To counter the growing competition and keeping in view the rising outlays on construction projects, the large companies in the sector are increasingly invest in capital equipments.

### INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The company has proper & adequate system of their internal controls proportionate to its size and business. The internal control systems 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

Shri Dinesh Kamdar and Shri Kiranbhai Shah will retire by rotation and being eligible, offer themselves for reappointment.

### CODE OF CONDUCT

The code of conduct for all board members and senior management of the company has been laid down and is being complied in words and spirit. The declaration on compliance of code of conduct signed by Chairman & Managing Director of the Company is included as apart of this annual report.



## PERNA Infrabuild Ltd.

### AUDITORS AND AUDITORS' REPORT :

The Auditors' M/s Dinesh. P. Shah & Co, Chartered Accountants, Ahmedabad holds office until the conclusion of the ensuing Annual General Meeting and is recommended for reappointment for the year 2008-2009. 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 :

- " in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- " the Directors had selected such accounting policies and applied them consistently and made judgments 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 of the Company for the period;
- " the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- " The Directors have 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.

#### Registered Office

6<sup>th</sup> Floor, Doctor House  
Near Parimal Garden  
Ahmedabad-380006  
Date : 30/6/08

For and behalf of Board of Directors

**Vijay C Shah**  
Chairman & Managing Director



# PRERNA Infrabuild Ltd.

## CORPORATE GOVERNANCE – PRERNA INFRABUILD 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 Mumbai Stock Exchange where the shares of the Company have been listed.

### MANDATORY REQUIREMENTS

#### 1. Company's Philosophy & Code of Governance

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 6 [six] member. The company has an executive Chairman and the number of independent director is one half of the total number of directors. None of the Directors on the Board is a member on more than 10(ten) Committees and Chairman of more than 10(Ten) 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 31<sup>st</sup> March 2008 was as under.

Directors	Category	Attendance Particulars			Other Committee Membership	
		Board Meeting	Last AGM	Other Directorship	Member	Chairman
Shri Vijay C Shah Chairman & M.D	Promoter & Executive	7	Y	2	0	0
Smt Nalini V Shah WholeTime Director	Promoter & Executive	7	Y	2	0	0
Shri Sanket V Shah	Promoter & Executive	7	Y	2	0	0
Smt Swetal C Parikh	IND	7	Y	0	0	0
Shri Kiran H Shah	IND	0	Y	0	0	0
Shri Dinesh V Kamdar	IND	7	Y	0	0	0

Details of Board Meetings held during the year 2007-08 7 (Seven) Board meetings were held during the year.

Date of Meeting	No. of Directors Present
30/04/2007	5
30/06/2007	5
31/07/2007	5
18/08/2007	5
31/10/2007	5
31/01/2008	5
31/03/2008	5



## PRERNA Infrabuild Ltd.

### 3. AUDIT COMMITTEE

The terms of reference of audit committee are as per the revised guidelines set out in the listing agreement with stock exchange read with section 292A of the Companies Act 1956 and includes such other functions as may be assigned to it by Board from time to time.

The audit committee has been entrusted with all required authority and powers to play an effective role as envisaged under revised clause 49 of listing agreement.

#### Composition :

The Audit Committee Comprises of 3 [three] Non Executive Directors & all of them is Independent. The members of audit committee have adequate financial & accounting knowledge.

The Audit Committee met four times during the year under review on 30/6/07, 31/7/07, 31/10/07 & 31/1/08.

Name	Designation	Attendance
Smt Swetal C Parikh	Non Executive Independent	4
Shri Dinesh Kamdar	Non Executive Independent	4
Shri Kiran Shah	Non Executive Independent	0

#### CEO/CFO Certification

The Board has recognized the Chairman and the Managing Director of the Company as the CEO and Whole Time Director Shri Sanket Shah as CFO for the limited purpose of compliance under the listing agreement. The CEO and CFO have certified in terms of revised clause 49 of the listing agreement to the Board that the financial statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards.

### 4. REMUNERATION COMMITTEE

#### Terms of reference :

- Reviewing the overall compensation policy, Service agreements and other employment condition of Managing/Whole Time Directors.
- Reviewing performance of the Managing/Whole Time Directors and recommending to the Board, the quantum of the annual increments.

#### Composition :

Its composition is as under :

Name	Position	Category
Shri Kiran H Shah	Chairman	Non Executive Independent
Smt Swetal C Parikh	Member	Non Executive Independent
Shri Dinesh V Kamdar	Member	Non Executive Independent

The committee met once on where all the members attended the meeting