

21st ANNUAL REPORT 2008-09



For Prerna Infrastructure Ltd.

Prerna
Infrastructure Ltd.

Prerna Infrabuild Ltd.
(Formerly known as Prerna Finsafe Ltd.)

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**CORPORATION INFORMATION****Board of Directors**

Chairman Vijay C. Shah

M. D. Sanket V. Shah

Wholetime Director Nalini V. Shah

Swetal C. Parikh
 Mahendra K. Gosaliya
 Dinesh Kamdar
 Kiranbhai Shah

Audit Committee

Chairman Swetal C. Parikh
 Dinesh Kamdar
 Kiranbhai Shah

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.

Registrar & Share Transferred Agent

Pinnacle Shares Registry Pvt. Ltd.
 Near Ashok Mills, Naroda Road,
 Ahmedabad-380 025

Website

www.pernagroup.com

Bank

Development Credit Bank
 C. G. Road Branch,
 Ahmedabad-6.

I N D E X

| PARTICULARS | PAGES |
|----------------------------------|-------|
| Corporation Information | 01 |
| Notice | 3-4 |
| Director's Report | 5-7 |
| Corporation Governance Report | 8-14 |
| Auditor's Report | 15 |
| Auditor's Financial State | 16-17 |
| Consolidated Cash Flow Statement | 18 |
| Balance Sheet Abstract | 19-30 |
| Proxy Form & Attendance Slip | 31 |

Prerna Infrabuild Ltd.

(Formerly known as Prerna Finsafe Ltd.)

**NOTICE**

Notice is hereby given that the 21st Annual General Meeting of the Members of Prerna Infrabuild Limited will be held on Wednesday , 30th September, 2009 at 11.30 a.m. at the Registered office of the Company at 6th Floor, Doctor House, Near Parimal 'crossing, Ambawadi, Ahmedabad, 380 006 to transact the following business:

ORDINARY BUSINESS

1. To receive consider & adopt the Balance Sheet as at 31st March 2009, 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 Sanket Shah who retires by rotation and being eligible, offers him self for reappointment.
3. To appoint a Director in place of Smt. Swetal Parikh who retires by rotation and being eligible, offers her self for reappointment.
4. To appoint M/s Alpesh 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:

6th Floor, Doctor House,
Near Parimal Garden,
Ahmedabad-380 006 .

For and on behalf of the Board of Directors

Sanket V Shah
Managing Director

Date : 30/6/09

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 be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Transfer Books of the Company will be closed from 23/9/2009 to 30/9/2009. [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 Ltd., Nr.Ashoka Mills, Naroda Road, Naroda, Ahmedabad-380 025, Tel. : 079-22204226, 22200338, 22200582, Fax : +91-079-22202963 E-mail : gautam.shah@psrpl.com & investor.service@psrpl.com
6. At the ensuing Annual General Meeting, Shri Sanket Shah and Smt Swetal Parikh Shall retire by rotation and being eligible, offer themselves for reappointment.

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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 Sanket Shah
 Address : 104, Prerna Tirth-2,
 Satellite, Ahmedabad.
 Age : 28 Years
 Nationality : Indian
 Occupation : Business
 Qualification : M.B.A
 Experience : 5 Years.
 Date of appointment : 15/06/2006

2. Name : Smt Swetal Parikh
 Address : 104, Prerna Tirth-2,
 Satellite, Ahmedabad.
 Age : 33 Years
 Nationality : Indian
 Occupation : Business
 Qualification : B.Com
 Experience : 6 Years
 Date of appointment : 1/05/2002

Registered Office:

6th Floor, Doctor House,
 Near Parimal Garden,
 Ahmedabad-380 006 .

Date : 30/6/09

For and on behalf of the Board of Directors

Sanket V Shah
 Managing Director

Prerna Infrabuild Ltd.

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**DIRECTORS' REPORT**

To,
The Members,
PRERNA INFRABUILD LIMITED
AHMEDABAD.

Your Directors present their 21st Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March 2009.

FINANCIAL RESULTS:

| | 2008-09 (Rs in Lac) | 2007-08 (Rs in Lac) |
|-------------------------|---------------------|---------------------|
| Profit before Tax | 48.41 | 131.48 |
| Provision for Taxation | 5.44 | 45.40 |
| Profit After Taxation | 42.97 | 86.08 |
| Balance carried forward | 157.2 | 115.45 |

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

MANAGEMENT DISCUSSION & ANALYSIS**Industry Structure & 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.

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.

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**Threats:**

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

COMPANY'S PERFORMANCE & FUTURE OUTLOOK

The company has not undertaken any new project during 2008-2009 and this has reflected in performance. However it has acquired KACHHA land as reported under schedule 5(five) of the Balancesheet. The company has only one business segment namely real estate development.

RISK & CONCERNS

Barring a handful of large companies, the industry setup is characterized by the performance of small - unorganized contractors.

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 Sanket Shah and Smt. Swetal Parikh 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 a part of this annual report.

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 & they have intimated the Company in writing of their unwillingness to be reappointed as Auditors of the Company for the financial year 2009-10. It is proposed to appoint M/s Alpesh Shah Chartered Accountants, as auditors to hold office until the conclusion of 22nd Annual General Meeting. The Company has received certificate from them to the effect that the appointment if made, would be within prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

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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, However it has accepted unsecured loan from its directors, shareholders and certain entities after complying with requirements of acceptance of deposits rules as stated under Rule 3 of the Companies (Acceptance of Deposits) Rules, 1975 and filed the Statement in lieu of Advertisement before acceptance of such deposits.

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:

- (i) in preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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;
- (iii) 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;
- (iv) 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.

Registered Office:

6th Floor, Doctor House,
Near Parimal Garden,
Ahmedabad-380 006 .

Date : 30/6/09

For and on behalf of the Board of Directors

Sanket V Shah

Managing Director

Prerna Infrabuild Ltd.

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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 31st March 2009 was as under.

| Directors | Category | Attendance Particulars | | | Other Committee Membership | |
|--|---------------------------|---------------------------|-------------|-----------------------|-------------------------------|----------|
| | | Board Meeting | Last AGM | Other Directorship | Member | Chairman |
| Shri Vijay C. Shah Chairman & Managing Director | Promoter & & Executive | 05 | Y | 2 | 0 | 0 |
| Smt Nalini V. Shah Whole Time Director | Promoter & Executive | 05 | Y | 2 | 0 | 0 |
| Shri Sanket V. Shah Managing Director | Promoter & Executive | 05 | Y | 2 | 0 | 0 |
| Smt Swetal C. Parikh | IND | 05 | Y | 0 | 0 | 0 |
| Shri Kiran H. Shah | IND | 00 | Y | 0 | 0 | 0 |
| Shri Dinesh V. Kamdar | IND | 05 | Y | 0 | 0 | 0 |

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Details of Board Meetings held during the year 2008-09 5 (Five) Board meeting were held during the year.

| Date of Meeting | No. of Directors Present |
|-----------------|--------------------------|
| 30 / 06 / 2008 | 5 |
| 31 / 07 / 2008 | 5 |
| 31 / 10 / 2008 | 5 |
| 31 / 01 / 2009 | 5 |
| 31 / 03 / 2009 | 5 |

3. AUDIT COMMITTEE**Terms of Reference:**

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. The minutes of the Audit Committee meetings are circulated to the Board of Directors

Composition:

The Audit Committee comprises of 3 (Three) Non Executive Directors & all of them are independent. The members of audit committee have adequate financial/accounting knowledge.

The Audit Committee met four times during the year under review on 30/06/2008, 31/07/2008, 31/10/2008 and 31/01/2009.

| 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 Managing 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.