

**22<sup>nd</sup>  
ANNUAL  
REPORT  
2009-10**



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**Prerna Infrabuild 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 & Co.  
C-103, Panchdhara Plaza,  
Satellite Road,  
Ahmedabad-380 015.

**Auditors**

Alpesh Shah & Co.,  
Chartered Accountant  
19, Cellar, Shubhlaxmi Complex,  
Nr. Sanghavi High School,  
Naranpura, Ahmedabad-380 013.

**Registered Office**

“Prerna”, Survey No. 820/1, Makarba,  
In Lane of Panchvati Auto,  
Opp. Anand Dham Derasar,  
S. G. Road,  
Ahmedabad-380 058.

**Register & Share Transferred Agent**

Big Share Service Pvt. Ltd.  
E-2/3, Ansh Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (E),  
Mumbai-400 072

**Website**

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

**Bank**

State Bank of India  
Prerna Tirth Road Branch,  
Satellite, Ahmedabad-380 015



## I N D E X

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## NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of Prerna Infrabuild Limited will be held on Thursday, 30th September, 2010 at 10.00 a.m. at the Registered Office of the Company at 'PRERNA', Survey No 820/1, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G.Road, Ahmedabad to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider & adopt the Balance Sheet as on 31<sup>st</sup> March, 2010, 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 Mahendra K Gosaliya, who retires by rotation and being eligible, offers himself 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 :

'PRERNA', Survey No. 820/1,  
In Lane of Panchvati Auto,  
Opp. Anand Dham Derasar,  
S.G.Road, Ahmedabad.

For and behalf of Board of Directors

**Sanket V. Shah**  
Managing Director

Date : 23/07/2010

### 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 Thursday, 23-09-2010 to Thursday, 30-09-2010 [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. Big Share Services Private Limited. E-2 & 3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072. Tel: 91-22-28470652|40430200|28470653 Fax: 91-22-28475207, E-Mail : marketing@bigshareonline.com.
6. At the ensuing Annual General Meeting Shri Dinesh Kamdar and Shri Mahendra K Gosaliya shall retire by rotation and being eligible offer themselves for reappointment.

## PRERNA INFRABUILD LTD.

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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. Mr. Dinesh V Kamdar**

Name	Dinesh V Kamdar
Address	5/A, Krishna Society, Ellisbridge, Ahmedabad
Age	66 years
Nationality	Indian
Occupation	Business
Qualifications	Diploma in Mechanical Engineer
Date of appointment	12/08/2006
Experience	32 Years.
Designation in the Company	Director

**2. Shri Mahendra K Gosalia**

Name	Shri Mahendra K Gosalia
Address	B-201, Prerna Shikhar Tower, Nr. Auda Fire Station, Bodakdev, Ahmedabad-380 054.
Age	66 years
Nationality	Indian
Occupation	Business
Qualifications	Chemical Engineer.
Date of appointment	24/10/2003
Experience	36 Years.
Designation in the Company	Director

**Registered Office :**

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Opp. Anand Dham Derasar,  
S.G.Road, Ahmedabad.

For and behalf of Board of Directors

**Sanket V. Shah**  
Managing Director

Date : 23/07/2010

# PRERNA INFRABUILD LTD.

## DIRECTORS REPORT

To  
The Members,  
Prerna Infrabuild Limited,  
Ahmedabad.

Your Directors presents their 22<sup>nd</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2010.

## FINANCIAL RESULTS :

	2009-10 (Rs in Lac)	2008-09 (Rs in Lac)
Profit before tax	(6.86)	48.41
Provision for Taxation	0.51	(5.44)
Profit after Taxation	(6.35)	42.97
Balance Carried Forward	150.85	157.2

The Board does not recommend any dividend for the year under review in view of loss.

## MANAGEMENT DISCUSSION & ANALYSIS

### Industry Structure and Development :

The Indian construction industry is poised for growth on account of industrialization, urbanization, economic development and people's rising expectations for improved quality of living. It is the second largest economic activity after agriculture. Construction accounts for nearly 65 per cent of the total investment in infrastructure and is expected to be the biggest beneficiary of the surge in infrastructure investment over the next five years. Investment in construction accounts for nearly 11 per cent of India's Gross Domestic Product (GDP). It is second largest employing sector in India (including construction and facilities management), real estate is linked to about 250 ancillary industries like cement, brick and steel through backward and forward linkages. Consequently, a unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as five times.

### 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.

### Threats :

1. Increase in prices of steel and cement, the two basic materials used in construction.
2. Industry suffers from capacity constraints, lack of trained manpower and managerial skills.
3. The industry is starved of finance. Small and medium contractors do not have the wherewithal to upgrade their capability, both hard and soft, to undertake high value time bound projects.
4. The contract agreements continue to be heavily loaded in favour of the owner/client.

**COMPANY'S PERFORMANCE & FUTURE OUTLOOK :**

The company has acquired KACHHA land as reported under schedule 5(five) of the Balance Sheet. The land purchased during current year and previous years will be utilized for commercial purpose after non agricultural use of land is permitted by appropriate authorities. 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 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 Mahendra Gosalia 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.

**AUDITORS AND AUDITORS' REPORT :**

The auditors M/s Alpesh Shah & Co, Chartered Accountants, Ahmedabad holds office until the conclusion of the Next Annual General Meeting and they have intimated the company in writing of their willingness to be reappointed as auditors of the company for the financial year 2010-11. The company has received certificate from them to the effect that the appointment if made, would be within prescribed limits 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 invited or 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 also 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:

- “ 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 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 :**

'PRERNA', Survey No. 820/1,  
In Lane of Panchvati Auto,  
Opp. Anand Dham Derasar,  
S.G.Road, Ahmedabad.

For and behalf of Board of Directors

Chairman

Date : 23/07/2010

**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 7 [seven] 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 2010 was as under.

Directors	Attendance Particulars				Other Committee Membership	
	Category	Board Meeting	Last AGM	Other Directorship	Member	Chairman
Shri Vijay C. Shah Chairman & Managing Director	Promoter & Executive	08	Y	2	0	0
Smt Nalini V. Shah Whole Time Director	Promoter & Executive	08	Y	2	0	0
Shri Sanket V. Shah Managing Director	Promoter & Executive	08	Y	2	0	0
Smt Swetal C. Parikh	IND	08	Y	0	0	0
Shri Kiran H. Shah	IND	05	Y	0	0	0
Shri Dinesh V. Kamdar	IND	08	Y	0	0	0
Shri Mahendrabhai K. Gosalia	IND	08	Y	0	0	0