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CORPORATION INFORMATION

Board of Directors

Chairman & Managing Director	Vijay C. Shah
Managing Director	Sanket V. Shah
Wholetime Director	Nalini V. Shah
	Swetal C. Parikh Mahendra K. Gosaliya Dinesh Kamdar Kiranbhai Shah

Audit Committee

Chairman	Kiranbhai Shah Dinesh Kamdar Mahendra K. Gosaliya
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Auditors

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

Practising Company Secretary

Pinakin Shah
C-103, Panchdhara Plaza,
Satellite Road,
Ahmedabad-380 015.

Registered Office

"Prerna", Survey No. 820/1, Makarba,
In Lane of Panchvati Auto,
Opp. Anand Dham Derasar,
S. G. Highway,
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.prernagroup.com

Bank

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

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Prerna Infrabuild Limited will be held on Tuesday, 27 September, 2011, at 10.00 a.m. at the Registered Office of the Company situated 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 at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the reports of the Directors' & Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri Kiran Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Ms Nalini Shah, who retires by rotation and being eligible, offers herself for reappointment.
5. 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.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification the following resolutions as ORDINARY RESOLUTION:

RESOLVED THAT subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent for the appointment of Shri Vijay Shah as Managing Director for a period of five years w .e .f. 01/01/2011 and for the payment of remuneration of Rs 12,00,000/- p.a. to appointee Shri Vijay Shah, on the following additional terms & conditions.

- a. Remuneration will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962, and it may include followings.
 - I. Medical reimbursement for self and family.
 - II. Leave and Leave Travel Concession for self and family and
 - III. Personal Accident Insurance shall be in accordance with the rules of the Company.
- b. The Company shall provide a car, mobile phone and telephone facility at residence for business use.
- c. The Company's contribution to Provident Fund, Superannuation Fund and Gratuity shall be in accordance with the rules of the Company and shall not be included in the computation of the ceiling on remuneration.
- d. COMMISSION: Such percentage of commission (in addition to Salary, allowances, perquisites and benefits hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of allowances, perquisites and benefits shall not exceed the ceiling laid down under Sec.309 of the Companies Act, 1956.

"RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profit is inadequate, the appointee shall be paid the above referred remuneration as minimum remuneration.

"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time."

7. To consider and if thought fit, to pass with or without modification the following resolutions as ORDINARY RESOLUTION:

RESOLVED THAT subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent for the appointment of Shri Sanket Shah as Managing Director for a period of five years w .e .f. 01/01/2011 and for the payment of remuneration of Rs 12,00,000/- p.a. to appointee Shri Sanket Shah, on the following additional terms & conditions.

- a. Remuneration will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962, and it may include followings.
 - I. Medical reimbursement for self and family.
 - II. Leave and Leave Travel Concession for self and family and
 - III. Personal Accident Insurance shall be in accordance with the rules of the Company.
- b. The Company shall provide a car, mobile phone and telephone facility at residence for business use.
- c. The Company's contribution to Provident Fund, Superannuation Fund and Gratuity shall be in accordance with the rules of the Company and shall not be included in the computation of the ceiling on remuneration.
- d. COMMISSION: Such percentage of commission (in addition to Salary, allowances, perquisites and benefits hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of allowances, perquisites and benefits shall not exceed the ceiling laid down under Sec.309 of the Companies Act, 1956.

"RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profit is inadequate, the appointee shall be paid the above referred remuneration as minimum remuneration.

"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time."

8. To consider and if thought fit, to pass with or without modification the following resolutions as ORDINARY RESOLUTION:

RESOLVED THAT subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent for the appointment of Smt. Nalini Shah as Whole Time Director for a period of five years w .e .f. 01/01/2011 and for the payment of remuneration of Rs 12,00,000/- p.a. to appointee Smt. Nalini Shah, on the following additional terms & conditions.

- a. Remuneration will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962, and it may include followings.
 - I. Medical reimbursement for self and family.
 - II. Leave and Leave Travel Concession for self and family and
 - III. Personal Accident Insurance shall be in accordance with the rules of the Company.
- b. The Company shall provide a car, mobile phone and telephone facility at residence for business use.
- c. The Company's contribution to Provident Fund, Superannuation Fund and Gratuity shall be in accordance with the rules of the Company and shall not be included in the computation of the ceiling on remuneration.
- d. COMMISSION: Such percentage of commission (in addition to Salary, allowances, perquisites and benefits hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of allowances, perquisites and benefits shall not exceed the ceiling laid down under Sec.309 of the Companies Act, 1956. "RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profit is inadequate, the appointee shall be paid the above referred remuneration as minimum remuneration.

"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time."

9. To consider and if thought fit, to pass with or without modification the following resolutions as SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to appointment of Ms Niyati S. Shah, a Management Graduate and who is in relation with Managing Director of the Company, to hold an office or place of profit under the Company as Vice President (Marketing) with effect from 01/06/2011 on such terms & conditions and on such remuneration as set out below :

- 1) Salary: Upto Rs 100,000/- p. m. with a provision for increase in salary of not more than 25% p. a. over the previous year.
- 2) Annual bonus : not exceeding Rs 20,000/- p.a.
- 3) Perquisites and Allowances: (a) Medical and accident insurance premium as per company rules. (b) Provision of car. (c) Leave in accordance with the leave rules of the Company from time to time.

10. To consider and if thought fit, to pass with or without modification the following resolutions as SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to appointment of Ms Swetal Parikh, a Commerce Graduate and who is in relation with Managing Director of the Company, to hold an office or place of profit under the Company as Vice President (Administration) with effect from 01/06/2011 on such terms & conditions and on such remuneration as set out below :

- 1) Salary: Upto Rs 100,000/- p. m. with a provision for increase in salary of not more than 25% p. a. over the previous year.
- 2) Annual bonus: not exceeding Rs 20,000/- p.a.
- 3) Perquisites and Allowances: (a) Medical and accident insurance premium as per company rules. (b) Provision of car. (c) Leave in accordance with the leave rules of the Company from time to time.

Place : Ahmedabad
Date : 30/05/2011

For and behalf of Board of Directors

Sanket V Shah
Managing Director

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on a Poll, if any, in his/her stead and the proxy need not be a member of the Company.
2. The instrument appointing proxies, in order to be effective, must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this notice.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the meeting (Item Nos. 6 to 8 of the notice) is annexed hereto.
4. As required by Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchanges the relevant details of Shri Kiran Shah and Ms Nalini Shah, Directors retiring by rotation and seeking re-appointment under Item No. 3 and Item No.4 of the Notice respectively, are annexed herewith.

5. Register of Members and Share Transfer Books of the Company was remained closed from Monday, the 25 July, 2011 to Friday, the 5 August, 2011 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if any, declared at this meeting.
6. Dividend on Equity Shares, if declared at the meeting, shall be paid on or after 30th September, 2011 to the shareholders whose names appeared on the Register of Members of the Company on Friday, the 5 August, 2011. In case of shares held in dematerialized form, the dividend thereon shall be paid to the beneficial owners, as per list provided by the Depositories for the said purpose.
7. Members are requested to visit the website of the Company 'www.prenagroup.com' for viewing the quarterly & annual financial results and for more information on the Company.
8. For any investor-related queries, communication may be sent by e-mail to 'investors@prenagroup.com'.
9. Big Share Services Private Limited (Big Share) is the Registrar & Share Transfer Agent (R&TAgent) of the Company. All investor related communication may be addressed to Big Share at the following address:

Big Share Services Private Limited.
E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka Andheri (E), Mumbai, 400 072. Tel: 91-22-28470652|40430200|28470653
Fax: 91-22-28475207, E Mail:marketing@bigshareonline.Com.
10. For effecting changes in address/bank details / ECS (Electronic Clearing Service) mandate, members are requested to notify:
 - (i) the R&T Agent of the Company, viz. Big Share, if shares are held in physical form; and
 - (ii) their respective Depository Participant (DP), if shares are held in electronic form.
11. Members are requested to send their queries, if any, to reach the Company at its Registered Office, at least 10 days before the meeting, so that the information can be compiled in advance.
12. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item no 6

Members may kindly note that the present term of Shri Vijay Shah as Chairman and Managing Director of the Company entrusted with substantial powers of management to be exercised subject to the superintendence, control and direction of the Board of Directors, was prematurely ended on 31 December, 2010. He was re-appointed as a Managing Director for a period of five years w.e.f. 15/01/2006 in Board Meeting dated 15/01/2006 on remuneration of Rs 6,00,000/- p.a.

On recommendation of remuneration committee, the Board of Directors of the Company at the meeting held on 31 December, 2010 has, subject to the approval of the members, unanimously approved the appointment of Shri Vijay Shah as Chairman and Managing Director of the Company (Managing Director under the Companies Act, 1956) w.e.f. 1 January, 2011 for a period of 5 (five) years, including payment of remuneration. An abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956 dated 31 December, 2010 has already been circulated to the members. Shri Vijay Shah has been associated with the Company since incorporation and has been instrumental in formulation of long-term vision and strategy of the Company. He has more than 40 years of experience in the real estate. Members' approval is required for the re-appointment of Shri Vijay Shah as Chairman and Managing Director of the Company w.e.f. 1 January, 2011 and payment of remuneration as set out in the accompanying resolution.

The remuneration proposed is within the limits of Part II of the Schedule XIII of the Companies Act, 1956 and there is no default in repayment of any of debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time. The remuneration proposed under the resolution was also proposed to be paid as minimum remuneration during the tenure of his appointment, in case in any financial year the company earns no profit or inadequate profit.

The Board recommends the resolution set out at item no. 6 of the notice for your approval.

None of the Directors, except Ms Nalini Shah and Shri Sanket Shah, are in any way, concerned or interested in the resolution set out at item no. 6 of the Notice.

Item no 7

Members may kindly note that the present term of Shri Sanket Shah as Managing Director of the Company was prematurely ended on 31 December, 2010. He was appointed as a Managing Director for a period of five years w.e.f. 15/06/2006 in Board Meeting dated 15/06/2006 on remuneration of Rs 6,00,000/- p.a.

On recommendation of remuneration committee, the Board of Directors of the Company at the meeting held on 31 December, 2010 has, subject to the approval of the members, unanimously approved the re-appointment of Shri Sanket Shah as Managing Director of the Company (Managing Director under the Companies Act, 1956) w.e.f. 1 January, 2011 for a period of 5 (five) years, including payment of remuneration. An abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956 dated 31 December, 2010 has already been circulated to the members.

Shri Sanket Shah has been associated with the Company for more than ten years and has been actively involved in business policy decisions of the Company. He has 15 years of experience in the real estate business. Members' approval is required for the re-appointment of Shri Sanket Shah as Managing Director of the Company w.e.f. 1 January, 2011 and payment of remuneration as set out in the accompanying resolution.

The remuneration proposed is within the limits of Part II of the Schedule XIII of the Companies Act, 1956 and there is no default in repayment of any of debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time. The remuneration proposed under the resolution was also proposed to be paid as minimum remuneration during the tenure of his appointment, in case in any financial year the company earns no profit or inadequate profit.

The Board recommends the resolution set out at item no. 7 of the notice for your approval.

None of the Directors, except Ms Nalini Shah and Shri Vijay Shah, are in any way, concerned or interested in the resolution set out at item no. 7 of the Notice.

Item no 8

Members may kindly note that the present term of Ms Nalini Shah as Whole Time Director of the Company was prematurely ended on 31 December, 2010. She was re-appointed as a Whole Time Director for a period of five years w.e.f. 15/01/2006 in Board Meeting dated 15/01/2006 on remuneration of Rs 6,00,000/- p.a.

On recommendation of remuneration committee, the Board of Directors of the Company at the meeting held on 31 December, 2010 has, subject to the approval of the members, unanimously approved the re-appointment of Ms Nalini Shah as Whole Time Director of the Company w.e.f. 1 January, 2011 for a period of 5 (five) years, including payment of remuneration. An abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956 dated 31 December, 2010 has already been circulated to the members.

Ms Nalini Shah has been associated with the Company since incorporation and has been actively involved in business policy decisions of the Company. She has 25 years of experience in the real estate business. Members' approval is required for the re-appointment of Ms Nalini Shah as Whole Time Director of the Company w.e.f. 1 January, 2011 and payment of remuneration as set out in the accompanying resolution.

The remuneration proposed is within the limits of Part II of the Schedule XIII of the Companies Act, 1956 and there is no default in repayment of any of debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time. The remuneration proposed under the resolution was also proposed to be paid as minimum remuneration during the tenure of his appointment, in case in any financial year the company earns no profit or inadequate profit.

The Board recommends the resolution set out at item no. 8 of the notice for your approval.

None of the Directors, except Shri Sanket and Shri Vijay Shah, are in any way, concerned or interested in the resolution set out at item no. 8 of the Notice.

Item no 9

Profile of Ms. Niyati Shah

Father's Name : Mr Alkesh Shah

Date of Birth : 30/01/1981

Ms. Niyati Shah is qualified management graduate. She has been working as Managerial Personnel since 2006. She has been designated as Vice President (Marketing) and is responsible for assisting the Managing Director in designing marketing policies and its execution. She was found competent to hold the said position in the Company. She is a relative of Director/s. Presently, she is drawing a salary of Rs. 48,750/- plus other permissible perquisites. It is proposed to re-appoint Ms. Niyati Shah, as Vice President (Marketing) of the Company years commencing from 1 June, 2011. The proposed remuneration to Ms. Niyati Shah is commensurate with her experience and is in line with the industry standards.

The Board recommends the resolution set out at item no.9 of the notice for your approval.

None of the Directors, except Shri Sanket, Ms Nalini Shah and Shri Vijay Shah, are in any way, concerned or interested in the resolution set out at item no. 9 of the Notice.

Item no 10

Profile of Ms. Swetal Parikh

Father's Name : Vijay Shah

Date of Birth : 26/06/1976

Ms. Swetal Parikh is commerce graduate. She worked with Perna Stock Brokers Pvt Ltd. as Director during 01/04/2005 to 19/05/2011. She has been designated as Vice President (Administration) and is responsible for liaisoning with various Government and non Government agencies, HRD etc. She was found competent to hold the said position in the Company. She is a relative of Director/s. She was drawing a salary of Rs 48,750/- plus other permissible perquisites in Perna Stock Brokers Pvt. Ltd.

It is proposed to appoint Ms. Swetal Parikh, as Vice President (Administration) of the Company commencing from 1 June, 2011. The proposed remuneration to Ms. Swetal Parikh is commensurate with her experience and is in line with the industry standards.

The Board recommends the resolution set out at item no.10 of the notice for your approval.

None of the Directors, except Shri Sanket, Ms Nalini Shah and Shri Vijay Shah, are in any way, concerned or interested in the resolution set out at item no. 10 of the Notice.

Place : Ahmedabad
Date : 30/05/2011

For and behalf of Board of Directors

Sanket V Shah
Managing Director

Details of the Directors seeking re-appointment in the
Twenty Third Annual General Meeting
pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange

1.	Name of Director	Shri Kiran Shah	Ms Nalini Shah
2.	Date of Birth	17/01/1946	30/11/1951
3.	Relationships with other Directors	None	Spouse/Mother
4.	Date of Appointment	12/08/2006	13/04/1988
5.	Expertise	Architect	Finance
6.	Qualification	Architect BE Civil	B.Com
7.	No. of Equity Shares held in the Company	4000	370000
8.	List of other companies in which directorship are held	None	None
9.	List of committees of the Board of Directors (across all companies) in which Chairmanship / Membership is held	Audit Committee (Chairman) Remuneration Committee (Chairman)	None

Note :

The Directorships held by Directors as mentioned above, do not include Directorships of Private Limited Companies.

DIRECTORS REPORT**To The Members,**

Your Directors have pleasure in presenting their 23rd Annual report on the business and operations of your Company for the year ended March 31, 2011.

FINANCIAL RESULTS:

	2010-11 (Rs in Lac)	2009-10 (Rs in Lac)
Profit before tax	100.12	(1.02)
Provision for Taxation	029.70	(2.01)
Prior period Adjustments	-	1.44
Profit after Taxation	070.42	(1.59)
Balance Brought Forward	150.85	150.85
Distributable profit	221.27	150.85
Appropriated as under:		
Transfer to General Reserve	0	0
Proposed Equity Dividend	55.60	0
Tax on Distributed Profits	09.02	0
Balance Carried Forward	150.65	150.85
Earnings Per Share (Rs. Per share)	0.89	-

PERFORMANCE REVIEW

The sales and operating income increased to Rs. 202.77 lacs from Rs. 80.25 lacs in the previous year yielding a growth of 152.67%. The operating profit for the year was Rs. 70.42 lacs as against loss of Rs. 1.59 lacs in the previous year.

APPROPRIATIONS**Dividend**

The Board has recommended a dividend of Rs. 0.70 per equity share (previous year dividend Rs. NIL per equity share) of fully paid up face value of Rs. 10/-, amounting to Rs. 55.60 lacs (previous year dividend Rs. NIL). The tax on distributed profits payable on this dividend is Rs. 9.02 lacs (previous year Rs. NIL) making the aggregate distribution to Rs. 64.62 lacs (previous year Rs. NIL). The distributed profits are 96.02 % (previous year NIL%) of the net profits for the year. The proposed dividend would be tax free in the hands of the shareholders.

Transfer to Reserves

According to Companies (Transfer of profits to Reserves) Rules, 1975. Your company is not mandatorily required to transfer certain minimum percentage of profits to general reserve and hence, the Board has recommended a transfer of Rs. Nil to the general reserve and an amount of Rs. 150.85 lacs is retained in the profit and loss account.

AMALGAMATION

With a view to achieving synergies of operations, optimum utilisation of resources and control costs, the Board of Directors had decided to amalgamate Perna Builders Ltd., Perna Hospitals Private Ltd., and Perna Stock Brokers Private Ltd., with the Company w.e.f. April 1, 2010 i.e. 'the Appointed Date'.

The Hon'ble High Court of Gujarat, at Ahmedabad had, vide its Order dated April 16, 2011, sanctioned the scheme of amalgamation between Perna Builders Ltd., Perna Hospitals Private Ltd., and Perna Stock Brokers Private Ltd., with the Company. Consequently, Perna Builders Ltd., Perna Hospitals Private Ltd., and Perna Stock Brokers Private Ltd., stood amalgamated with the Company w.e.f. April 1, 2010.

SHARE CAPITAL

During the year, the following changes were effected in the Share Capital of your Company:-

- i) **Increase in Authorised Share Capital**
The Authorised Share Capital of your Company was increased from Rs. 650 Lacs to Rs. 800 Lacs divided into 1500,000 Equity Shares of Rs. 10/- each, with effect from 30th September, 2010.
- ii) **Increase in Issued and Paid up Share Capital**
Consequence to amalgamation of Perna Builders Ltd., Perna Hospitals Private Ltd., and Perna Stock Brokers Private Ltd., with the Company 18,69,910 Equity Shares of Rs. 10/- each, fully paid-up, were issued on 18/05/2011, in the ratio of
 - * 22 (Twenty Two) Equity Shares of Rs 10/- each in respect of every one Equity Shares of Rs 10/- each fully paid-up held in the capital of Perna Builders Limited.
 - * 1 (One) Equity Share of Rs 10/- each in respect of every one Equity Shares of Rs 10/- each fully paid-up held in the capital of Perna Stockbrokers Private Limited.
 - * 1 (One) Equity Share of Rs 10/- each in respect of every one Equity Shares of Rs 10/- each fully paid-up held in the capital of Perna Hospitals Private Limited.

Consequently, the Issued and Subscribed Share Capital of your Company, as on 31st March, 2011, stands increased to Rs. 794,25,100/- divided into 79,42,510 Equity Shares of Rs. 10/- each. The new Equity Shares rank pari passu with the existing Equity Shares of your Company.

LIQUIDITY AND CASH EQUIVALENTS

Your Company continues to retain its status of a debt-free Company. The Company has been conservative in its investment policy over the years, maintaining a reasonably high level of cash and cash equivalents which enables the Company to completely eliminate short and medium term liquidity risks. Cash and cash equivalents constitute 67% of the total assets at Rs.2941.59 lacs, at the year end, against 74.85% of total assets at the close of the previous year. An amount of Rs.1963.00 lacs, as on March 31, 2011 was in bank fixed deposits at an average interest rate of 7.27% per annum and Rs.8.14 lacs was in liquid schemes and fixed maturity plans of various mutual funds. The mix between fixed deposits, liquid schemes and fixed maturity plans is a function of the prevailing interest rates.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis have been reviewed by the Audit Committee and the same is forming a part of this Annual Report.

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

The clause 146 read with clause 170 of Articles of Association of the Company provide that at least two-thirds of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election.

Shri Kiran Shah and Ms Nalini Shah will retire by rotation and being eligible, offer themselves for reappointment. The details of their re-appointment together with nature of their expertise in specific functional areas and names of the companies in which they hold office as Director and/or the Chairman/Membership of Committees of the Board, are provided in the Notice of the ensuing Annual General Meeting.

Your Board at its meeting held on 31 December, 2010 recommended for the approval of the Members:

- * re-appointment of Shri Vijay Shah as a Director, not liable to retire by rotation, and also as Managing Director and Chairman of your Company, for a period of five years from 1 January, 2011.
- * re-appointment of Shri Sanket Shah as a Director, not liable to retire by rotation, and also as Managing Director of your Company, for a period of five years from 1 January, 2011.
- * re-appointment of Ms Nalini Shah as a Director, liable to retire by rotation, and also as Whole Time Director of your Company, for a period of five years from 1 January, 2011.

AUDIT COMMITTEE

The Audit Committee consists of three Directors – Shri Kiran Shah, Shri Mahendra Gosaliya and Shri Dinesh Kamdar and is chaired by Shri Kiran Shah. The Audit Committee was re-constituted vide board resolution dated 25th October 2010 in order to induct Shri Mahendra Gosaliya in place of Ms. Swetal Parikh during the year under review.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three Directors – Shri Kiran Shah, Shri Mahendra Gosaliya and Shri Dinesh Kamdar and is chaired by Shri Kiran Shah. The Remuneration Committee was re-constituted vide board resolution dated 25th October 2010 in order to induct Shri Mahendra Gosaliya in place of Ms. Swetal Parikh during the year under review.

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.

SECRETARIAL AUDIT

Pinakin Shah & Co., Practicing Company Secretary conducted Secretarial Audit pursuant to provisions of Section 383A of the Companies Act, 1956, for the financial year 2010-11. Pinakin Shah & Co., has submitted the Report confirming compliance with the applicable provisions of Companies Act, 1956 and other rules and regulations issued by SEBI/other regulatory authorities for Corporate law.

LISTING OF SHARES

The Company's share continues to remain listed with The Bombay Stock Exchange, Mumbai, where the share is actively traded. A listing application was made to BSE for listing of additional 18,69,910 equity shares allotted by the Company on 18th May, 2011 to the shareholders of amalgamated companies.

STATUTORY DISCLOSURES:

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.

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.

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.

Cash Flow

A Cash Flow statement for the year ended March 31, 2011 is attached to the Balance Sheet.

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 2011-12. 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 Company has not made any provision as required under AS-15 because Accounting standard- 15 applies to retirement benefits in the form of provident fund, superannuation/pension and gratuity provided by an employer to employees, whether in pursuance of requirements of any law or otherwise. It also applies to retirement benefits in the form of leave encashment benefit. Your company is not covered under The Employees Provident Fund Act and The Payment of Gratuity Act and hence no provision was made towards retirement benefits.

As required under As – 18, part II (X) of schedule 21 deals with related party disclosures which includes remuneration paid to Ms. Swetal Parikh as Director of one of the amalgamated company i.e. Prerna Stock Brokers Pvt. Ltd. Ms. Swetal Parikh resigned from the Board w.e.f. 31/05/2011. The Board has terminated all related party transaction of amalgamating companies w.e.f. 01/06/2011.

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 and shareholders 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.

INSURANCE

The Company's assets are adequately insured against major risks.

ACKNOWLEDGMENTS

Your Directors commend the hard work, dedication and contributions of all employees of your Company. They express their gratitude to the various departments of the governments, banks, investors, business associates and customers for their continued support.

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

Vijay Shah
Chairman & Managing Director

Date : 30/05/2011