

ANNUAL REPORT



29th

2016-2017

Prerna Infrabuild Ltd.



**Prerna
Infrabuild
Limited**

A BSE Listed Company since 1988, we have business interest in Commercial and Residential Real Estate Projects.

Prerna Group visualizes things differently, we see them as strategic assets that can help our clients build value. With our quality service in the field of real estate, we ensure that our clients get complete value for their investments. With meticulous planning and **REALISTIC BUDGET**, we ensure that our projects are delivered on time and nothing is left to chance. From Prestigious Luxury Homes to Residential Apartments to Commercial Landmarks, our skilled and professional approach gets you the result you want.

The Group has developed some of the finest Commercial and Residential Projects and is renowned for its Elegance and Quality. Doctor house and Prerna Tirth are in fact major landmarks of Ahmedabad city.

Our Group was the first in Gujarat to start Private Safe Deposit Vault Facility in the year 1988, named Prerna Safe Vaults at Doctor House to cater to individual needs, all 365 days in a year with more than 1,500 clients.

Serving the society has been our motto, our company was the first to start Private Corporate Hospital in Gujarat named Prerna Hospital at Doctor House that served people for 15 years.

In lane Opp. to Honest, Prahladnagar (Circle P Building),
S. G. Road, Ahmedabad - 380058, Gujarat, India.

☎ 079 26925653 | 079 26936292

✉ sales@prernagroup.com 🌐 www.prernagroup.com

Some of the Prestigious Projects



Prernatirth Derasar And Bhavan - Satellite



Doctor House - C. G Road



Prerna Tirth 2 - Satellite



Prerna Arcade - C.G Road



Prerna Arbour - C. G Road



Prerna Tirth 1 - Satellite



Prerna Shikhar - Bodakdev

Others Projects

- Prerna Apartments - Thaltej
- Prerna Darshan - Paldi
- Prerna Kutir - Bodakdev
- Prerna Deep - Bodakdev
- Prerna Vihar - 1 - Satellite



Prerna Viraj 1 - Satellite



Prerna Viraj 2 - Satellite

| <u>NO.</u> | <u>CONTENTS OF THIS REPORT</u> | <u>PAGE NO.</u> |
|-------------------|---|------------------------|
| 1. | COMPANY INFORMATION | 02 |
| 2. | NOTICE | 03 – 06 |
| 3. | DIRECTOR'S REPORT | 07 – 11 |
| 4. | MANAGEMENT DISCUSSION AND ANALYSIS | 12 - 13 |
| 5. | ANNEXURE 1,2,3 & SECRETARIAL AUDIT REPORTS | 14 – 20 |
| 6. | CORPORATE GOVERNANCE REPORT | 21 – 28 |
| 7. | STANDALONE FINANCIAL STATEMENT | |
| | • Independent Auditor's Report on Financial Statements | 29 – 32 |
| | • Balance Sheet | 33 |
| | • Statement of Profit and Loss | 34 |
| | • Cash Flow Statement | 35 – 36 |
| | • Significant Accounting Policies | 37 –38 |
| | • Notes on Financial Statements | 39 – 48 |
| 8. | CONSOLIDATED FINANCIAL STATEMENT | |
| | • Independent Auditor's Report on Consolidated Financial Statements | 49 – 51 |
| | • Consolidated Balance Sheet | 52 |
| | • Consolidated Statement of Profit and Loss | 53 |
| | • Consolidated Cash Flow Statement | 54 - 55 |
| | • Significant Accounting Policies on Consolidated Accounts | 56 |
| | • Notes on Consolidated Financial Statements | 57 –69 |
| 9. | STATEMENT RELATED ASSOCIATE COMPANIES & JOINT VENTURE | 70 |
| 10. | PROXY FORM & ATTENDANCE SLIP | 71 |

COMPANY INFORMATION

Board of Directors

Vijay C. Shah

(DIN NO. 00038062)

Sanket V. Shah

(DIN NO. 00038121)

Nalini V. Shah

(DIN NO. 00119538)

Ishan Shah

(DIN NO. 01546527)

Mahendra K. Gosalia

(DIN NO. 02279850)

Kiran Shah

(DIN NO. 02725833)

Auditor

Practising Company Secretary

Registered Office

Register & Share Transfer Agent

Banker

Chairman & Managing Director

Managing Director

Whole time Director

Independent Director

Independent Director

Independent Director

Alpesh Shah & Co.,
Chartered Accountant
(FRN NO. 128461W)
202, Parth Avenue,
Nr. Naranpura Cross Road,
Naranpura, Ahmedabad-380 013

Pinakin Shah & Co.
(PCS NO. 2562)
A/201 Siddhi Vinayak Towers,
B/H BMW Showroom, Next to
Kataria House,
Off S.G.Highway, Makaraba,
Ahmedabad-380051, Gujarat,

“Prerna”, Survey No. 820/1,
In Lane of Panchvati Auto,
Opp. Anand Dham Derasar,
S. G. Highway, Makarba,
Ahmedabad - 380 058.
Tel : 079 – 26925653
Email : info@prernagroup.com
Website : www.prernagroup.com

Big Share Service Pvt. Ltd.
E-2/3, Ansh Industrial Estate,
Sakivihar Road, Saki Naka, Andheri
(E), Mumbai - 400 072
Tel : 022-28470652/40430200
Email : info@bigshareonline.com
Website : www.bigshareonline.com

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

NOTICE

Notice is hereby given that the 29th (Twenty Ninth) Annual General Meeting of the Company will be held at 'PRERNA', Survey No. 820/1, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G. Road, Makarba, Ahmedabad-380058 on Thursday, 28th September, 2017 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 and Statement of Profit and Loss for the year ended as on that date together with and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vijay Chandulal Shah (DIN: 00038062) who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution
"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company appoints M/s Vijay Chauhan & Associates, Chartered Accountants, Ahmedabad (Firm Registration No: 136918W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting of the Company to be held in the year 2022 subject to ratification by the members at every Annual General Meeting held after this Annual General Meeting at such remuneration as may be determined by the Board of Directors of the company on recommendation of the Audit Committee."

Date: 10/08/2017

For and on behalf of the Board

Place: Ahmedabad

Shri Sanket Shah

Managing director

DIN: 00038121

Registered office:

'PRERNA', Survey No. 820/1,

In Lane of Panchvati Auto,

Opp. Anand Dham Derasar,

S.G. Road, Makarba, Ahmedabad-380058

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Ordinary Businesses to be transacted at the Annual General Meeting is annexed hereto
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2017 to 28th September, 2017 (both days inclusive).
3. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in Demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their

Request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).

6. Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting
7. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rule, 2014 as amended and Regulations 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Cut-off date i.e. a date not earlier than seven days before the date of general meeting, are entitled to vote on the Resolutions set forth in this Notice.

Members who have acquired shares after the dispatch of the Annual Report and before the Cut-off date may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. A person who is not a member as on the Cut-off date should treat this notice for the information purpose only.

The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

I. Voting Instructions :

- (i) The voting period begins on 25th September at 9:00 a.m. and ends on 27th September at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholder should Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| No. | For Members holding shares in Demat Form and Physical Form |
|--|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field. |
| Dividend Bank Details OR Date of Birth(DOB) | Enter the Dividend Bank Details or Date of Birth (in dd /mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "**SUBMIT**" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also use Mobile app - "m-Voting" for e voting. M-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to M-Voting using their e voting credentials to vote for the company resolution(s).**
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. Other Instructions:

- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31st March, 2017.
- b) Mr. Pinakin Shah, Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- c) The Scrutinizer shall immediately after the conclusion of voting after the Annual General Meeting, count the votes cast at the meeting, thereafter unblock the votes in the presence of at least two witnesses not in the employment of the company and make, not later than three days of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Chairman or person authorised by him in writing shall declared the results of the voting forthwith.
- d) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pernagroup.com and on the website of CDSL www.evoting.cdsl.com immediately after the result is declared by the Chairman.
- e) A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- f) Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Bigshare Services Private Limited/Investor Service Department of the Company immediately.
- g) The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to M/s. Bigshare Services Private Limited/ Investor Service Department of the Company.
- h) Members desiring any information relating to the accounts are requested to write to the Company at least seven days in advance so as to enable the management to keep the information ready.

Explanatory statement**[Pursuant to section 102 of the Companies Act, 2013]**

The following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 2 and 3 of the accompanying Notice:

ITEM NO. 2

As required by Regulation 17 of SEBI (LODR) Regulations, 2015 and subject to the provisions of Sections 149, 152 and 161 and subject to the provisions of 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 details of Director retiring by rotation and seeking re-appointment and details of Directors seeking appointment is as under:

| | |
|--|----------------------------------|
| Name of Director | Shri Vijay Chandulal Shah |
| Date of Birth | 14/01/1949 |
| Relationship with other Directors | Father |
| Date of Appointment | 13/04/1988 |
| Qualification | B COM |
| Expertise | Entrepreneur |
| Chairman/ Director of other Companies | NIL |
| Chairman/ Member of Committees (including Audit Committee, Stakeholder & Nomination and Remuneration Committee) | Members: NIL Chairman: 1 |
| No of shares held in the Company | 1,25,000 |

***Note:** The Directorship held by director mentioned above do not include directorship of Private Limited Company.

ITEM NO.3

This explanatory statement is provided though strictly not required as per Section 102 of the Act. M/s. Vijay Chauhan & Associates, Chartered Accountants, Ahmedabad (Firm Registration No 136918W), will be appointed as the statutory auditors of the Company for a period of five Year at the Annual General Meeting (AGM) of the Company held on 28/10/2017, to hold office till the conclusion of the AGM to be held in the Calendar Year 2022. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board commends the Resolution for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Date: 10/08/2017

Place: Ahmedabad

For and on behalf of the Board

Shri Sanket Shah

Managing director

DIN: 00038121

Registered office:

'PRERNA', Survey No. 820/1,

In Lane of Panchvati Auto,

Opp. Anand Dham Derasar,

S.G. Road, Makarba,

Ahmedabad-380058

DIRECTOR'S REPORT

To,

The members of

PRERNA INFRABUILD LIMITED

Dear Members,

Your Directors have pleasure in presenting the 29th Director's Report of your Company together with the Audited Statement for the financial year ended, 31st March, 2017.

The summary of operating results for the year and appropriation of divisible profits is given below:

FINANCIAL HIGHLIGHTS

(Figures in Lakhs)

| Particulars | Current Year | Previous Year |
|---|----------------|---------------|
| Sales | 1411.74 | 177.64 |
| Other Income | 23.66 | 13.19 |
| Total Income | 1435.40 | 190.83 |
| Depreciation | 7.66 | 5.00 |
| Tax | | |
| Current Tax | 43.31 | 24.32 |
| Deferred Tax | (1.02) | (0.45) |
| Profit/(Loss) after Tax | 110.51 | 102.03 |
| Earnings per share (Rs.) : Basic | 0.94 | 0.88 |
| Diluted | 0.92 | 1.25 |

STATE OF COMPANY'S AFFAIRS

During the year under review, the total Income of the Company was Rs 1435.40 lakhs against Rs 190.83 lakhs in the previous year. The Company has earned a Profit after tax of Rs 110.51 lakhs compared to Rs 102.03 lakhs in the previous year. Your Directors are continuously looking for avenues for future growth of the Company.

CHANGE IN THE NATURE OF BUSINESS

Your Company continues to operate in the same business segment as that of previous year and there is no change in the nature of the business.

DIVIDEND

Your Company does not recommend any dividend in the year 2016-17.

TRANSFER TO RESERVES

The Board of Directors proposed to carry nil amounts to General Reserve Account and an amount of Rs. 110.51 lakhs has been retained in the profit & loss account.

MANAGEMENT DISCUSSION & ANALYSIS

Management's discussion and analysis forms a part of this annual report and is annexed to the Board's report.

CHANGES IN SHARE CAPITAL**Authorized Share Capital**

There have been no Changes in Authorized Share Capital of Company.

Issued, Subscribed and Paid-Up Share Capital

The Issued, Subscribed and Paid-Up Share Capital of the Company is increased from Rs. 116,525,100 divided into 11,652,510 Equity Shares of Rs. 10/- each to Rs. 120,425,100 divided into 12,042,510 Equity Shares of Rs. 10/- each.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

No Company has ceased to be subsidiary Company, Joint Venture Companies or Associate Companies during the year. The Company has made investment in the form of capital contribution in Prerna Infrabuild and Shivam Prerna Infrabuild, a partnership firm, to develop Residential Project.

MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR

There have been no material changes and commitments, which have occurred between the end of the financial year of the Company and the date of the report, which has affected the financial position of the Company.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEE MEETINGS

Information is provided under clause 2(B) of Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors hereby confirms that,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has 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 as at 31st March, 2017 and of the profits of the company for that period.
- iii. It has 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, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognized while relying on any system of internal control and records.
- iv. It has prepared the annual accounts on a going concern basis.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operation efficiently.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors of the Company met on 11th February, 2017, discussed inter-alia,

- a. Evaluation of performance of Non-Independent Director and the board of Directors of the Company as a whole.
- b. Evaluation of performance of the chairman of the Company, taking into views of executive and Non-Executive Directors.
- c. Evolution of the quality, content and timelines of flow of information between the management and the board that is necessary for the board to effectively and reasonably perform its duties

DIRECTORS & KEY MANAGERIAL PERSONAL

In accordance with the Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Vijay Shah (DIN:00038062) will retire by rotation at the ensuring AGM and being eligible offers himself for reappointment. There is no other change in directors and Key Managerial Person respectively during the Financial Year 2016-17.

CORPORATE GOVERNANCE

The Company is committed to maintain and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance along with requisite certificate from M/s. Pinakin Shah & Co., Practicing Company Secretary, Ahmedabad, is annexed to this Report.

DEPOSITS

Your company has not accepted any fixed deposits during the year under review.

RISK MANAGEMENT

There is an adequate risk management infrastructure in place capable of addressing risks that the organization faces such as strategic, financial, market, property, IT, legal, regulatory, reputational and other risks those have been identified and assessed.

Consolidated Financial Statements

In accordance with the Companies Act, 2013 and implementation requirements of Indian Accounting Standard (IND-AS) Rules on accounting and Disclosure requirements, which is applicable from current year, and as prescribed by Regulation 33 of the SEBI (Listing