



18<sup>th</sup>

**ANNUAL REPORT**  
**2008-2009**

**PUROHIT CONSTRUCTION LIMITED**

**PUROHIT CONSTRUCTION LIMITED**

<b>BOARD OF DIRECTORS</b>	<b>MR. NARENDRA M. PUROHIT</b>	<b>: CHAIRMAN &amp; MANAGING DIRECTOR</b>
	<b>MR. NISHIT B. GOHIL</b>	<b>: DIRECTOR</b>
	<b>MR. MAHENDRA H. SANGHANI</b>	<b>: DIRECTOR</b>
	<b>MR. KUMUDCHANDRA I. SHERAVIA</b>	<b>: DIRECTOR</b>
	<b>MR. BIPINCHANDRA M. SOLANKI</b>	<b>: ADDITIONAL DIRECTOR</b>

**AUDITORS** : M/S. GATTANI & ASSOCIATES  
 CHARTERED ACCOUNTANTS,  
 AHMEDABAD

**BANKERS** : TAMILNAD MERCANTILE BANK LIMITED,  
 AHMEDABAD

STATE BANK OF INDIA  
 C. G. ROAD BRANCH, AHMEDABAD

**REGISTERED OFFICE** : 401, PUROHIT HOUSE,  
 OPP. SARDAR PATEL STADIUM,  
 NAVRANGPURA,  
 AHMEDABAD-380 009.

**18TH ANNUAL GENERAL MEETING**

**Date** : 30th July, 2009  
**Day** : Thursday  
**Time** : 11:30 a.m.  
**Place** : Fun Point Club, Sarkhej-Gandhinagar,  
 Highway, Ahmedabad-382 481.

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**PUROHIT CONSTRUCTION LIMITED****NOTICE**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of M/s. Purohit Construction Limited will be held Thursday, the 30th day of July, 2009 at 11.30 a.m. at Fun Point Club, Sarkhej-Gandhinagar Highway, Ahmedabad - 382 481 to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the period ended on that date, together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Mahendra H. Sanghani, who retires by rotation and being eligible, offers himself for re appointment
3. To re appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:-**

4. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution :

"RESOLVED THAT Mr. Bipinchandra M. Solanki, who was appointed as an Additional Director of the Company on 20th November, 2008 and holds office up to the ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of who the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

5. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution :

"RESOLVED THAT the approval of the members of the company be and is hereby given to the Board of Directors of the Company, pursuant to Section 149(2A) of the Companies Act, 1956 to the commencement by the Company of the new business provided in Clause 16 of the Clause III (C) of the Memorandum of Association of the Company relating to dealing and/or to make ready any/or forward contracts in shares, securities, grain, cotton, oil, oil seeds, gold, silver, metals, linseed, cotton seed, jute, Hessian, gunnies."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be required to give effect to this resolution."

By order of the Board of Directors  
Narendra M. Purohit  
Chairman & Managing Director

Place : Ahmedabad  
Date : 11th June, 2009

**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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A proxy, in order to be effective, should be lodged at the Registered Office of the Company not later than 48 hours of the time of the Annual General Meeting.

2. The Register of Members and Share transfer books shall remain closed from Thursday, the 23rd July, 2009 to Thursday, the 30th July, 2009 (both days inclusive).
3. Members are requested to intimate the change in their addresses, if any, immediately to the Company.
4. Members are requested to bring their copy of the Annual Report at the meeting.
5. The Shares of the Company are listed at Ahmedabad and Pune Stock Exchanges.
6. An Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in relation to items No. 4 and 5 of the accompanying notice is annexed hereto.

By order of the Board of Directors  
Narendra M. Purohit  
Chairman & Managing Director

Place : Ahmedabad  
Date : 11th June, 2009

**PUROHIT CONSTRUCTION LIMITED****EXPLANATORY STATEMENT**

Pursuant to Section 173(2) of the Companies Act, 1956

**ITEM NO. 4**

Mr. Bipinchandra Motilal Solanki was appointed as Additional Director of the Company at the meeting of the Board of directors of the Company held on 20th November, 2008. Pursuant to Section 260 of the Companies Act, 1956, he holds office up to the ensuing Annual general Meeting of the Company. The Company is in receipt of a Notice from a member of the Company under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director, liable to retire by rotation along with a deposit of Rs. 500/-. Mr. Solanki, aged 64 years and is having long business experience. His experience would help the company to expand business activities.

Your directors commend passing of the resolution set out at item No. 4 of the accompanying notice for your approval. None of the directors of the Company, except Mr. Solanki may be deemed to be concerned or interested in the resolution.

**ITEM NO. 5**

The Company is primarily engaged into the business activity relating to construction. The company many a times is having surplus funds which could be safely invested in the market related securities. The existing Main Object of the company does not permit doing this activity. However, Clause 16 of the Other Object clause of the Memorandum of Association permits the commencement of these activities. Section 149(2A) of the Companies Act, 1956 provides that a public company shall not at any time commence any business, unless the company has approved of the commencement of any such business by a special resolution passed in that behalf by it in general meeting.

A copy of the Memorandum and Articles of Association of the Company is available for inspection by any member of the company between 3:00 p.m. and 5:00 p.m. on any working day at the registered office of the Company up to the date of the Annual general Meeting.

Your directors commend passing of the resolution set out at item No. 5 of the accompanying notice for your approval.

None of the directors of the Company, except Mr. Solanki, may be deemed to be concerned or interested in, the resolution.

By order of the Board of Directors  
**Narendra M. Purohit**  
Chairman & Managing Director

Place : Ahmedabad

Date : 11th June, 2009

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report for the year ended 31st March, 2009.

**FINANCIAL PERFORMANCE**

	(Rs. In Lacs)	(Rs. In Lacs)
	Current Year	Previous Year
	2008-2009	2007-2008
Total Income	712.10	592.26
Financial Expenses	5.22	1.90
Depreciation	3.08	2.58
Profit / (Loss) Before Taxation	34.91	29.69
Less : Provision for Income Tax	3.55	3.10
Less: Provision for Deferred Tax	0.38	0.75
Less : Fringe Benefit Tax	0.74	0.33
Profit After Taxation	30.24	25.51
Less: Prior Period adjustment	NIL	NIL
Transfer to General Reserve	NIL	NIL
Surplus Brought Forward	(169.60)	(195.11)
Balance carried to balance Sheet	(139.36)	(169.60)

During the year under review, Your Company has made a meager profit and the accumulated losses have been reduced. Your directors express their inability to recommend dividend on Equity Shares for the year under review on account of huge accumulated losses.

**OPERATIONS OF THE COMPANY**

The Company has not commenced any new projects during the year under review. The Company is concentrating on job work through tenders. During the year under review, your company has earned an income of Rs. 712.10 Lacs as against Rs 592.26 Lacs in the previous year registering a growth of approx. 20%. The Company has earned a Net Profit of Rs. 30.24 Lacs against Rs. 25.51 Lacs, in the previous year. A debit balance of Rs. 139.36 Lacs has been carried forward to the Balance Sheet.

The construction industry is optimistic but on account of higher cost and higher sale prices, real user customers are shy and preferred to be out of the segment. The overall economic slow down across the world has also affected the industry in India. The stringent regulations implemented by the Local Authorities have also pushed the cost up in the industry. The increased prices of

**PUROHIT CONSTRUCTION LIMITED**

Cement and Steel have increased the cost of construction but at higher cost, the customers are not willing to invest.

**DEPOSITS**

The Company has not accepted any Deposits to which the provisions of Section 58 A of the Companies Act, 1956 and the relevant rules made there under are applicable.

**RESPONSIBILITY STATEMENT**

The Directors confirm :

- a) that in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) that they have 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 the end of the Financial year and of the Profit or Loss of the Company for that period;
- c) that they 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;
- d) That they have prepared the Annual Accounts on a Going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars regarding Conservation of Energy and Technology Absorption pursuant to Section 217(1)(e) of the Companies Act, 1956 are Nil. The Company has not earned foreign exchange.

**PARTICULARS OF EMPLOYEES**

There is no employee who is in receipt of remuneration exceeding the limits specified under Section 217(2A) of the Companies Act, 1956 and hence the information required thereunder is not given.

**DIRECTORS**

Mr. Bipinchandra M Solanki was appointed as an Additional Director of the Company with effect from 20th November, 2008 and holds office up to the ensuing Annual General Meeting of the Company. Mr. Mahendra H. Sanghani, a director retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment. You are requested to accord your approval for his appointment as a regular director of the company.

Mr. Indravadan L. Pantya, Executive Director of the Company has resigned with effect from 31st October, 2008. The Board places on record its appreciation for the services rendered by him as a director of the company.

**AUDITORS**

M/s. Gattani & Associates, Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and is eligible for re appointment. You are requested to re appoint the said Auditors and fix their remuneration.

The observations made by the Statutory Auditors of the Company in their report are dealt with in the notes of accounts of the company, which are self explanatory. The company has decided to discontinue the key man insurance policy and hence no provision is made for the premium payable.

**CORPORATE GOVERNANCE REPORT**

A separate report on Corporate Governance is enclosed as part of this Annual Report and marked as Annexure 'A' Requisite Certificate from the Statutory Auditors of the Company regarding Compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the report of Corporate Governance.

**ACKNOWLEDGEMENT**

The Board of Directors wishes to express its appreciation for the co operation received from the Bankers, customers and the employees of the Company and look forward to their continued support in the years to come.

For and on behalf of the Board of Directors  
**Narendra M. Purohit**  
 Chairman & Managing Director

Place : Ahmedabad  
 Date : 11th June, 2009

**JROHIT CONSTRUCTION LIMITED****ANNEXURE 'A'****REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILISOPHY ON CODE OF GOVERNANCE**

Your company has always believed in the concept of good Corporate Governance involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Your company has made necessary changes in the systems and procedures required for effective control, for the steady growth of the company and to increase the value for all stakeholders. Mandatory provisions of corporate Governance as stipulated under listing agreements of Stock Exchanges are being complied with.

**2. BOARD OF DIRECTORS**

The Board of Directors has 1 Executive Promoter Director and 4 Non-Executive Independent Directors. The composition of Board is in compliance with the requirements of Clause 49(1) (A). The detailed composition of the Board and other related information is given in the table below :

Name of the Director	Designation	Category	No. of other Directorships held	No. of Board Committee Memberships held	No. of Board meetings attended	Attendance at the last Annual General Meeting
Shri Narendra M. Purohit	Chairman and Managing Director	Promoter Executive	2	-	8	Yes
Shri Indravadan L. Pandya*	Executive Director	Executive	-	-	4	Yes
Shri Nishit B. Gohil	Director	Independent Non-Executive	-	3	8	Yes
Shri Mahendra H. Sanghani	Director	Independent Non-Executive	-	3	8	Yes
Shri Kumudchandra I. Sheravia	Director	Independent Non-Executive	-	3	8	Yes
Shri Bipinchandra M. Solanki**	Director	Independent Non-Executive	-	-	4	Yes

Shri I. L. Pandya had resigned with effect from 31st October, 2008 and there were 4 meetings of the Board of directors by then.

Shri Bipinchandra M. Solanki was appointed as a director of the company with effect from 20th November, 2008 and there were 4 meetings of the Board of directors after his appointment.

The time gap between any two meetings was less than 4 months.

During the year 8 Board meetings were held on the following dates which were attended by all the directors:

16-04-2008	30-06-2008	31-07-2008	25-10-2008
20-11-2008	15-01-2009	31-01-2009	25-03-2009

**3. AUDIT COMMITTEE**

The Board of Directors of the Company has re-constituted the Audit Committee in its meeting held on 30th June, 2007, comprising three independent non-executive directors.

The composition of the Audit Committee is as under:

Name of the Director	Category	Remarks
Shri Mahendra H. Sanghani	Independent Non-Executive	Chairman
Shri Nishit B. Gohil	Independent Non-Executive	Member
Shri Kumudchandra I. Sheravia	Independent Non-Executive	Member



**PURHIT CONSTRUCTION LIMITED**

The terms of reference are as under :

- To investigate into any matter in relation to the items specified in Section 292(A) of the Companies Act 1956, and also as contained under Clause 49 of the Listing Agreement.
- Reviewing of the Company's financial reporting process and the disclosure of its financial information to ensure that its financial statement is correct, sufficient and credible.
- Recommending the appointment of external Auditor and fixation of their Audit fee.
- Reviewing with management the Annual financial statements and half yearly and quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

During the year, four meeting of the committee was held on 30th June, 2008, 31st July, 2008, 25th October, 2008 and 31st January, 2009 which were attended by all the members of the committee

#### 4. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee was formed by the Board of Directors on 01.03.2003 to ensure the effective Redressal of the complaints of the investors. The Committee also recommends steps to be taken for further implementation in the quality and services to the investors.

**Composition of the Investors' Grievance Committee :**

Name of the Director	Category	Remarks
Shri Mahendra H. Sanghani	Independent Non-Executive	Chairman
Shri Nishit B. Gohil	Independent Non-Executive	Member
Shri Kumudchandra I. Sheravia	Independent Non-Executive	Member

During the year, three meeting of the committee were held on 30th June, 2008, 25th October, 2008 and 31st January, 2009 which were attended by all members of the committee.

The Minutes of Shareholders Grievance Committee are discussed and taken note of by the Board of Directors. Shri Narendra M. Purohit, Managing Director of the Company has been designated as Compliance Officer.

The particulars of Investors Grievance received and redressed during the financial year are furnished below :

Sr. No.	Particulars	Received	Redressed
1.	Non-receipt of Share Certificates	NIL	NIL
2.	Non-receipt of Dividend Warrants	NIL	NIL
3.	Non-receipt of Balance Sheet	NIL	NIL
4.	For Demat	NIL	NIL
5.	Others	NIL	NIL

#### 5. REMUNERATION COMMITTEE

The Remuneration Committee was re-constituted by the Board of Directors at its meeting held on 30th June, 2007, comprising of the following members:

Name of the Director	Category	Remarks
Shri Mahendra H. Sanghani	Independent Non-Executive	Chairman
Shri Nishit B. Gohil	Independent Non-Executive	Member
Shri Kumudchandra I. Sheravia	Independent Non-Executive	Member

**PUROHIT CONSTRUCTION LIMITED**

The terms of reference are as under :

To determine the company's policy on specific remuneration packages for Executive Directors including their pension rights after taking into consideration, the financial position of the company, experience and past performance and the interest of the company and its shareholders.

**Details of Remuneration paid:**

**a. Executive Directors**

Name of the Director	Salary (Rs.)	Commission (Rs.)	Perquisites (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
Shri Narendra M. Purohit	7,20,000	—	—	—	7,20,000
Shri Indravadan L. Pandya	40,600	—	—	—	40,600

**b. Non-Executive Directors**

Name of the Director	Sitting Fees (Rs.)
Shri Nishit B. Gohil	NIL
Shri Mahendra H. Sanghani	NIL
Shri Kumudchandra I. Sheravia	NIL

**Service Contract :**

- Shri Narendra M. Purohit, Chairman and Managing Director, is appointed for a term of five years w.e.f 1st April, 2007 and his re-appointment was approved by the members at the 16th Annual General Meeting of the Company.

**6. GENERAL BODY MEETING**

The location and time of the last three Annual General Meetings are as under:

AGM	Date	Time	Venue	No. of special resolutions approved
15th	07-09-2006	11.30 a.m.	Fun- Point Club, Sarkhej-Gandhinagar Highway, Ahmedabad.	-
16th	06-09-2007	11.30 a.m.	Fun- Point Club, Sarkhej-Gandhinagar Highway, Ahmedabad.	-
17th	21-08-2008	11:30 a.m.	Fun- Point Club, Sarkhej-Gandhinagar Highway, Ahmedabad.	-

No Extraordinary General Meeting was held during last year. No special resolution was to be carried out through postal ballot last year. No resolution is proposed by postal ballot at the ensuing Annual General Meeting.



**PUROHIT CONSTRUCTION LIMITED****7. DISCLOSURES**

- There was no transaction of material nature with the Management or with the Directors of the Company during the year
- There was no instance of Non-compliance of any matter related to the capital markets during the last three years
- The Company ensures compliance of various statutory requirements by all its divisions and obtains quarterly reports in the form of certificate from the head of the divisions. These certificates are placed before the Board on quarterly basis
- All the statutory registers that are required to be maintained, particularly Register of Contracts in which Directors have interests, Register of Director's Shareholdings, Register of Investments etc. are maintained and continuously updated

**8. MEANS OF COMMUNICATION**

- During the year, quarterly and half yearly (Unaudited) and Annual financial results (Audited) of the company were submitted to the Stock Exchanges immediately after the Board meeting approved the same and were published in the Western Times in English and Gujarati.

**9. FINANCIAL CALENDER FOR THE FINANCIAL YEAR 2009-10.**

Financial Year	1st April, 2009 to 31st March, 2010
Results for the first quarter ending 30th June, 2009	Last week of July, 2009
Results for the second quarter ending 30th September, 2009	Last week of October, 2009
Results for the third quarter ending 31st December, 2009	Last week of January, 2010
Results for the year ending 31st March, 2010	June, 2010
Annual General Meeting for the year 2008-09	30th July, 2009
Date of Book -Closure	Thursday, the 23rd day of July, 2009 to Thursday, the 30th day of July, 2009 (both days inclusive)
Dividend Payment date	Not Applicable
Listing on Stock Exchange	Ahmedabad Stock Exchange & Pune Stock Exchange
Stock Code	46854/PUROHITCON (ASE)

**10. MARKET PRICE DATA**

No transaction is reported at Ahmedabad and Pune Stock Exchanges during the financial year 2008-09.

**11. DISTRIBUTION OF SHAREHOLDINGS AS ON 31.03.2009**

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Share held	% of Shareholding
Up to 500	5,385	88.75	7,81,600	19.51
501 to 1,000	351	5.78	3,17,700	7.93
1,001 to 2,000	167	2.75	2,54,900	6.37
2,001 to 3,000	68	1.12	1,70,400	4.25
3,001 to 4,000	26	0.43	89,600	2.24
4,001 to 5,000	20	0.33	98,100	2.45
5,001 to 10,000	24	0.40	1,97,100	4.92
10,001 & Above	27	0.44	20,96,200	52.33
<b>TOTAL</b>	<b>6,068</b>	<b>100.00</b>	<b>40,05,600</b>	<b>100.00</b>