

**22nd
ANNUAL
REPORT
2009-10**



Prerna Infrabuild Ltd.



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

Bank

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

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NOTICE

Notice is hereby given that the 22nd 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 31st 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.

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 22nd Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st 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 31st 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

Details of Board Meetings held during the year 2009-10 8 (Eight) Board meetings were held during the year.

Date of Meeting	No of Directors Present
30/06/2009	7
31/07/2009	7
15/10/2009	6
26/10/2009	6
31/10/2009	7
15/12/2009	7
30/01/2009	7
31/03/2010	6

3. AUDIT COMMITTEE

The terms of reference of audit committee are as per the revised guidelines set out in the listing agreement with stock exchange read with section 292A of the Companies Act 1956 and includes such other functions as may be assigned to it by Board from time to time.

The audit committee has been entrusted with all required authority and powers to play an effective role as envisaged under revised clause 49 of listing agreement. The minutes of the Audit Committee meetings are circulated to the Board of Directors

Composition:

The Audit Committee Comprises of 3 [three] Non Executive Directors & all of them is Independent. The members of audit committee have adequate financial & accounting knowledge.

The Audit Committee met four times during the year under review on 30/6/09, 31/7/09, 31/10/09 & 31/1/10.

Name	Designation	Attendance
Smt Swetal C Parikh	Non Executive Independent	4
Shri Dinesh Kamdar	Non Executive Independent	4
Shri Kiran Shah	Non Executive Independent	4

CEO/CFO Certification

The Board has recognized the Chairman and the Managing Director of the Company as the CEO and Managing Director Shri Sanket Shah as CFO for the limited purpose of compliance under the listing agreement. The CEO and CFO have certified in terms of revised clause 49 of the listing agreement to the Board that the financial statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards.

4. REMUNERATION COMMITTEE

Terms of reference:

- Reviewing the overall compensation policy, Service agreements and other employment condition of Managing/ Whole Time Directors.
- Reviewing performance of the Managing/Whole Time Directors and recommending to the Board, the quantum of the annual increments.

PRERNA INFRABUILD LTD.

Composition:

Its composition is as under :

Name	Position	Category
Shri Kiran H Shah	Chairman	Non Executive Independent
Smt Swetal C Parikh	Member	Non Executive Independent
Shri Dinesh V Kamdar	Member	Non Executive Independent

The Company has not held any meeting in the financial year as there was no review of compensation payable to Managing Director / Whole Time Director.

REMUNERATION POLICY :

The appointment of Chairman and Managing Director and Whole Time Directors is governed by resolution passed by the board and shareholders of the company, which covers the terms of such appointment. Remuneration paid to Chairman and Managing Director and Whole Time Directors is recommended by the Remuneration Committee, approved by the board and is within the approved limit. The remuneration package of Managing Director and Whole Time Directors Comprises of salary, perquisites and allowances, as approved Annual increments are linked to performance and to be decided by remuneration committee.

Presently, the company does not have a scheme for grant for stock option or performance-linked incentives for its Directors.

Details of the remuneration paid to all the directors for the year ended 31/03/2010.

Name of Director	Salary (Rs)	Benefits (Rs)	Service Contract
Shri Vijay C Shah Chairman & Managing Director	540000	0	5 years w.e.f.15/01/2006
Smt. Nalini V Shah Whole Time Director	540000	0	5 years w.e.f.15/01/2006
Shri Sanket V Shah Managing Director	540000	0	5 years w.e.f.15/01/2006

5. SHAREHOLDERS/INVESTOR'S GRIEVANCES COMMITTEE

The company has reconstituted a shareholders/Investor's Grievances committee. The committee consists of two directors who are Mr. Sanket Shah and Mr. Dinesh V. Kamdar. Mr. Sanket Shah is the Managing Director heading the committee.

This committee looks into the redressal of Shareholders/Investor's Grievances, if any like Transfer/ Transmission/ D-mat of Shares; Loss of Share Certificates; Non receipt of Annual Report etc. During the year, there were no complaints from the shareholders. The Company has no transfers pending at the close of the financial year.

6. DETAILS OF LAST THREE ANNUAL GENERAL MEETING

Year	Venue of AGM	Date	Time
2006-07	6 th Floor Doctor House, C.G.Road, Ahmedabad-6	29/09/2007	11.00 am
2007-08	6 th Floor Doctor House, C.G.Road, Ahmedabad-6	23/08/2008	10.00 am
2008-09	6 th Floor Doctor House, C.G.Road, Ahmedabad-6	30/09/2009	11.30 am

PRERNA INFRABUILD LTD.

Shareholders' approval through postal ballot was not sought for any matter last year.

Special resolution Passed in the previous three Annual General meeting.

Item	Date of AGM
Voluntary delisting from Ahmedabad Stock Exchange	12/08/2006

7. DISCLOSURE

- i. The Company has no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., that may have potential conflicts with the interest of the Company at large. For details about related parties transactions, see schedule 20 of the balance sheet.
- ii. There were no instances of non compliance by the company in the last Three years.
- iii. The Board is reviewing adoptions of non-mandatory requirements of Clause 49 of listing agreement from time to time.

8. Means of Communication

The Board of Directors of the Company approves and take on record the Quarterly, half yearly and yearly financial results in the proforma prescribed by clause 41 of the listing agreement with in one month of the close of respective period. The approved financial result are forthwith send to the Mumbai stock exchange and are published in western Times news paper, English/Gujarati editions within 48 hours of approval thereof. The same are not send to the shareholder separately.

The company's financial result and official news releases are not displayed on the company's website.

No formal presentation was made to the institutional investors or to the analysts during the year under review. Management Discussion and Analysis forms Part of the annual report, which is posted to the shareholders of the company.

9. General Shareholder Information

- I. Date time and venue of AGM
Thursday, 30th September, 2010 at 10.00 a.m. at 'PRERNA', Survey No. 820/1, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G.Road, Ahmedabad.
- II. Financial Year
The company follows April-March as its financial year. The result for every quarter beginning from April are declared in the month following the Quarter for the last quarter, except for the last quarter, for which results are declared by June as permitted under listing agreement.
- III. Date of book closure Thursday, 23-09-2010 to Thursday, 30-09-2010 [both days Inclusive]
- IV. Dividend payment date
Not Applicable
- V. Listing of stock exchanges at:
The Stock Exchange– Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-23
- VI. Stock Codes: 531802
- VII. High/Low of monthly Market Price of the Company's Equity Shares

PRERNA INFRABUILD LTD.

Traded on the Mumbai Stock Exchanges during the financial year 2009-10 is furnished below :

Month	2 0 0 9 - 1 0	
	High	Low
April-2009	17.70	9.80
May-2009	16.50	11.95
June-2009	20.44	10.88
July-2009	19.50	13.40
August-2009	16.50	13.75
September-2009	17.95	14.85
October-2009	18.75	16.20
November-2009	19.35	15.85
December-2009	22.00	17.05
Jan -2010	18.95	14.75
Feb-2010	18.11	12.82
March -2010	19.15	12.90

VIII Registrar & Transfer Agent:

BIGSHARE SERVICES PVT. LTD.

E-2 & 3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,

Andheri(E), Mumbai - 400 072.

Tel: 91-22-2847 0652 | 40430200 | 2847 0653

Fax: 91-22-2847 5207

E-mail: marketing@bigshareonline.com

IX Share Transfer System:

The company has appointed Pinnacle Shares Registry Private Limited as registrar & transfer Agents for D-mat as well as Physical transfer work

X Distribution of Shareholding (as on March 31, 2010)

a On the Basis of Share Held

No. of Equity Shares Held	No. of Shares Holders [Physical]	No. of Share [Physical]	No. of Share Holders [D-Mat]	No. of Share [D-Mat]	Total No. of Share Holders	% of Share Holders	Total No. of Shares	% of Shares Holding
1-500	1282	359700	294	76912	1576	88.94	436612	7.19
501-1000	28	24500	36	30435	64	3.61	54935	0.90
1001-2000	14	20000	23	34121	37	2.09	54121	0.89
2001-3000	16	39900	9	22425	25	1.41	62325	1.03
3001-4000	8	29700	11	39444	19	1.07	69144	1.14
4001-5000	4	18300	4	18800	8	0.45	37100	0.61
5001-10000	2	13900	9	63705	11	0.62	77605	1.28
10001 & Above	5	77800	27	5202958	32	1.81	5280758	86.96
Total	1359	583800	413	5488800	1772	100.00	6072600	100.00

b On the basis of Category

Category	No of Shares Held	% to Total Shares Held
Individual	1543947	25.42
Private Corporate Bodies	172850	2.85
Promoters	4334203	71.37
Non resident Indians	18400	0.30
Mutual Fund	3200	0.05
Total	6072600	100

xi. Dematerialization of Shares & liquidity

The company has dematerialized its shares capital with NDSL. The Shareholder may approach Bigshare Services Private Limited Registrar & Transfer Agents to dematerialize their holding.

xii. Outstanding GDRs/ADRs/Warrants or any convertible instrument as at March-10

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2010.

xiii. Plant Locations

The nature of business is such that the company has no plant.

xiv. Address for Correspondence

All enquiries, clarification and correspondence should be addressed to the compliance officer at the following Addresses.

- (1) 'PRERNA', Survey No. 820/1, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S.G.Road, Ahmedabad.
- (2) Bigshare Services Private Limited
E-2 & 3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of Prerna Infrabuild Limited,

I have examined the compliance of condition of corporate governance by Prerna Infrabuild Limited for the year ended on 31st March 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange. I have obtained all the information and explanations, which are best of my knowledge and belief, were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. This certificate is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In My opinion and to the best of our information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of corporate governance as stipulated in the aforesaid Listing Agreement.

Pinakin Shah
Practicing Company Secretary
FCS 2562, C.P No 2932

Place : Ahmedabad

Date : 23/07/2010

DECLARATION BY MANAGING DIRECTOR

(Under Clause 49 of the listing Agreement)

To

The Members of Prerna Infrabuild Limited,

I Sanket V Shah Managing Director of Prerna Infrabuild Limited declare that to the best of my knowledge and belief, all the members of the board of directors and Senior Management personnel have affirmed compliance with code of conduct for the year ended 31st March 2010.

For and behalf of Board of Directors

Place : Ahmedabad

Dated : 23/07/2010

Managing Director

AUDITORS REPORT

To,
The Members of
PRERNA INFRABUILD LTD.

- 1) We have audited the attached Balance Sheet of **PRERNA INFRABUILD LTD.** as on 31st March 2010 and also the Profit & Loss Account for the year ended on that date annexed. This financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) The report include a statement on the matters specified in paragraph 4 of the Companies (Auditors Report) Order 2003, issued by the Department of Company Affairs, in terms of section 227 (4A) of the Companies Act, 1956.
- 4) Further to the comments in the Annexure referred to in paragraph 3 above:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of accounts.
 - (d) Retirement benefits to the employees are recognised on cash basis. Subject to the above, in our opinion the Balance Sheet, Profit & Loss account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
- 5) In our opinion and to the best of our information and according to explanations given to us the said accounts together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view.
 - (a) In the case of Balance Sheet, of the state of affairs of the Company as on 31st March 2010 and
 - (b) In the case of Profit & Loss Account, of the loss of the Company for the year ended on that date.

PLACE : AHMEDABAD
DATE : 15-05-2010

For, ALPESH SHAH & CO.
Chartered Accountants
(FRN-128461W)

(ALPESH C. SHAH) Proprietor
(M.N. 105463)

Annexure to Auditors' Report
Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets, no material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. A. During the year company has granted loans to three parties covered in the register maintained under section 301 of Companies Act, 1956 aggregating to Rs.39.78 lacs during the year. The maximum amount involved during the year was Rs.34.22 lacs and the balance at the end of the year 9.25 lacs.
B. In respect of loans, secured or un-secured taken by the company from the Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a. During the year, the company has taken loans from four parties aggregating Rs.64.89 lacs The maximum amount involved during the year was Rs.64.89 lacs and the balance at the end of the year is Nil.
 - b. In our opinion and according to the information and explanation given to us, interest and other terms and condition of loan given or taken by the company are not prima facie prejudicial to the interest of the company.
 - c. In our opinion and according to the explanation given to us, principal amount is repayable on demand.
 - d. There is no overdue amount in respect of loans taken by the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies act, 1956.
 - a. According to the information and explanation given to us, there is no transaction that needs to be entered into the register maintained under section 301 of the Act.
 - b. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.500000/- (Rupees Five Lacs only) or more in respect of any party.
6. The Company has not accepted deposits from the public.
7. Company does not have an Internal Audit system.

PRERNA INFRABUILD LTD.

8. We are informed that the Central Government has not prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 for the business in which the company is engaged.
9. In respect of statutory dues:
- According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
 - According to the information and explanations given to us, no undisputed amounts is payable which is outstanding as on 31st March, 2010 for a period of more than six months from the date of becoming payable except following:

Name of the Statute	Name of the due	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act	Income Tax	15902/-	FY 2004-05	31/01/2008	Not Paid

- As per explanation given to us company has received the demand notices for Asst. Yr. 2006-07 of Rs.7,00,919/- and for Asst. Yr. 2007-08 Rs.20,74,711/- from Income Tax Department, which the company has not accepted and applied for rectification of the same. Apart from above no disputed statutory dues are outstanding as at the end of the year.
10. The Company has no accumulated loss on the last day of the financial year. The company has not incurred cash loss during the financial year covered by the audit and in the immediately previous financial year.
11. Company has not defaulted in repayment of dues to the financial institution.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has not dealt or traded in shares and securities during the year.
15. As per information and explanation given to us the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion Term loans are applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilised any short term loan for long term and vice versa.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not ever issued the debentures.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us during the year, no fraud on or by the Company has been noticed or reported by the management to us that causes the financial statements to be materially misstated.

Place : Ahmedabad
Date : 15-05-2010

For Alpesh Shah & Co.
Chartered Accountants
(FRN-128461W)

(Alpesh C. Shah) Proprietor
M.N. 105463

BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	Schedule		AS ON 31.3.2010 Rs.		AS ON 31.3.2009 Rs.
SOURCES OF FUNDS :					
i) Share Holder's Fund					
Share Capital	1	60,726,000		60,726,000	
Reserve & Surplus :	2	15,085,333	75,811,333	15,720,580	76,446,580
ii) Loan Funds :					
Secured Loans	3	—		10,155,786	—
Unsecured Loans	4	—	—	38,755,123	48,910,909
TOTAL			75,811,333		125,357,489
APPLICATION OF FUNDS :					
i) Fixed Assets	5				
Gross Block		31,779,342		25,987,606	
Less : Depreciation		4,308,326		3,585,109	
Net Block			27,471,016		22,402,497
ii) Investment	6		42,349,259		9,486,328
iii) Current Assets, Loans & Advances					
A) Stock in hand	7	2,068,435		—	
a) Sundry Debtors	8	21,523		21,523	
b) Cash & Bank Balances	9	954,176		88,235,186	
c) Loans & Advances	10	11,094,508		13,458,082	
		14,138,642		101,714,791	
iv) Less : Current Liabilities & Provisions	11	(8,463,439)		(8,511,357)	
Net Current Assets			5,675,203		93,203,434
Deferred Tax Assets	12		315,855		265,230
TOTAL			75,811,333		125,357,489
Notes on Accounts	21				

As per our report of even date.

For, ALPESH SHAH & CO.

Chartered Accountants

(FRN-128461W)

Alpesh C. Shah

(Proprietor)

For, Prerna Infrabuild Limited

Director

Director

Director

Place : Ahmedabad

Date : 15-05-2010

Place : Ahmedabad

Date : 15-05-2010

PRERNA INFRABUILD LTD.

PROFIT & LOSS A/C FOR THE YEAR ENDED ON 31.03.2010

PARTICULARS	Schedule		AS ON 31.3.2010 Rs.		AS ON 31.3.2009 Rs.
INCOME :					
Sales	13		7,325,688		8,634,302
Other income	14		1,567,743		7,678,531
Increase in stock	15		2,068,435		—
Total			10,961,866		16,312,833
EXPENDITURE :					
Purchas	16		4,229,335		—
Loss / (Profit) on sale of mutual fund			—		452,338
Direct Expenses	17		95,000		2,469,202
Salaries Wages & Other Benefits	18		4,170,358		4,076,456
Administrative and General Exps.	19		2,219,303		3,168,416
Interest	20		19,993		197,862
Depreciation			913,749		1,106,900
Total			11,647,738		11,471,174
Profit Before Taxation and Exceptional Items			(685,872)		4,841,659
Taxation fo the year - Deferred Tax			50,625		85,753
- Fringe Benefit Tax			—		(75,000)
- Current Tax			—		(555,000)
Profit after Taxation and before Exceptional Items			(635,247)		4,297,412
Prior-period Adjustments			—		(121,697)
Profit after Taxation			(635,247)		4,175,715
Balance brought forward from previous year			15,720,580		11,544,865
Balance Carried to Balance Sheet			15,085,333		15,720,580
Earning per share (Basic & Diluted) (FV of Rs. 10/-)			(0.10)		0.69
Notes on Accounts	21				

As per our report of even date.

For, ALPESH SHAH & CO.

Chartered Accountants

(FRN-128461W)

Alpesh C. Shah

(Proprietor)

For, Prerna Infrabuild Limited

Director

Director

Director

Place : Ahmedabad

Date : 15-05-2010

Place : Ahmedabad

Date : 15-05-2010

PRERNA INFRABUILD LTD.

(xi) Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :

Registration No. L65990GJ1988PLC010570

State Code : 04

Balance Sheet Date : 31.03.2010

II. Capital raised during the year: (Rs. in Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of mobilisation and deployment of funds: (Rs. in Thousands)

Total Liabilities	75811.33	Total Assets *	125357.49
Source of Funds			
Paid up Capital	60726.00	Reserves & Surplus	15085.333
Secured Loans	0.00	Unsecured Loans	0.00
Application of Funds:			
Net Fixed Assets	57471.01	Investments	42349.26
Net Current Assets	5675.20	Miscellaneous Expenditure	NIL
Deferred tax assets	315.85		

IV. Performance of Company : (Rs.in Thousand)

Turnover **	10961.87	Total Expenditure	11647.74
Profit/(Loss) before tax	(685.87)	Profit/(Loss) after tax	(635.25)
Earning per share (Rs.)	(0.10)	Dividend Rate (%)	NIL

V. Generic names of three principal products/services of the company:(as per monetary terms)

Item Code No: Not Applicable

Product Description : Not Applicable

As per our report of even date.

For, ALPESH SHAH & CO.

Chartered Accountants

(FRN-128461W)

Alpesh C. Shah

(Proprietor)

For, Prerna Infrabuild Limited

Director

Director

Director

Place : Ahmedabad

Place : Ahmedabad

Date : 15-05-2010

Date : 15-05-2010

** Includes other income

PRERNA INFRABUILD LTD.

SCHEDULE FORMING PARTS OF THE BALANCE SHEET

PARTICULARS	AS ON 31.3.2010 Rs.	AS ON 31.3.2009 Rs.
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SCHEDULE : 1 SHARE CAPITAL

AUTHORISED CAPITAL

65,00,000 Equity shares of Rs.10 each	65,000,000	65,000,000
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ISSUED SUBSCRIBED AND PAID UP CAPITAL

6072600 Fully paid up Equity shares of Rs.10 each	60,726,000	60,726,000
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TOTAL	60,726,000	60,726,000
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SCHEDULE : 2 RESERVE & SURPLUS

Balance in Profit & Loss Account	15,085,333	15,720,580
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	15,085,333	15,720,580
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SCHEDULE : 3 SECURED LOAN

Term Loan Kotak Mahindra Prime Ltd. (Secured by hypothecation of Car)	-	155,786
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Demand loan from State Bank of India (Secured by lien on FD with SBI)	-	10,000,000
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TOTAL	-	10,155,786
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SCHEDULE 4 : UNSECURED LOANS :

Loan from

- Directors and other #	-	29,455,123
- Companies #	-	9,300,000

TOTAL	-	38,755,123
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Maximum amount due to directors and parties covered by section 301 of the Companies Act during the year

64,88,597	81,086,705
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SCHEDULE 5 : FIXED ASSETS

(In Rupees)

		GROSS BLOCK				DEPRECIATION			NET BLOCK		
Sr. No.	Description	As on 1-Apr-09	Addition during the year	Sales / Adjustment	As on 31-Mar-10	As on 01-Apr-09	For The Year	Deduction/ Adjustments	As on 31-Mar-10	As on 31-Mar-10	As on 31-Mar-09
1	Office	0	368,646		368,646	0	4,545	0	4,545	364,101	0
2	Motor Car	5,812,572		534,356	5,278,216	3,060,421	677,641	190,532	3,547,530	1,730,686	2,752,151
3	Computer	278,874	13,450	0	292,324	183,784	38,994	0	222,778	69,546	95,090
4	Two Wheeler	95,520		0	95,520	55,784	10,288	0	66,072	29,448	39,736
5	Plant & Machinery	830,268	174,400	0	1,004,668	220,251	100,661	0	320,912	683,756	610,017
6	Furniture and Fixtures	285,972	484,033	0	770,005	64,869	81,620	0	146,489	623,516	221,103
7	Land (NOTE:1)	18,684,400	5,050,563	0	23,734,963	0	0	0	0	23,734,963	18,684,400
8	Cellar at Prerna Arbour	0	235,000	0	235,000	0	0	0	0	235,000	0
Total 31-3-2010		25,987,606	6,326,092	534,356	31,779,342	3,585,109	913,749	190,532	4,308,326	27,471,016	22,402,497
Total 31-3-2009		22,609,590	3,378,016	0	25,987,606	2,478,209	1,106,900	0	3,585,109	22,402,497	22,131,381

NOTE : 1The company acquired land in the name of directors and their relatives and the titles have not been transferred in the name of the company.

PRERNA INFRABUILD LTD.

SCHEDULE FORMING PARTS OF THE BALANCE SHEET

PARTICULARS	AS ON 31.3.2010 Rs.	AS ON 31.3.2009 Rs.
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SCHEDULE : 6 : INVESTMENT :

Long term (At Cost)

Investment in Share (Quoted) -

105000 Share of NHPC Ltd. Rs. 10 each fully paid	3,349,259	-
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Investment in Mutual Fund -

Un Quoted

804498.4	Units of Rs. 10/- each of DWS Cash Opportunity Fund	9,500,000	-
1412286	Units of Rs. 10/- each of Fidelity Ultra Short Term Debt Fund	16,000,000	-
550637.5	Units of Rs. 10/- each of LIC Fixed Maturity Plan	13,500,000	-
944657.1	Units of Rs. 10/- each of HDFC CMS Treasury Weekly Dividend	-	9,476,328
998.193	Unit of Rs. 10/- each of HDFC CMS Retail Weekly Plan	- 39,000,000	10,000
Total :		42,349,259	9,486,328

Quoted Investment aggregate - Cost	3,349,259	9,486,328
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Quoted Investment aggregate - Market Value	3,197,250	9,473,675
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SCHEDULE : 7 : STOCK IN HAND :

(As taken, valued and certified by the management)

Stock of furniture	2,068,435	-
Total :	2,068,435	

SCHEDULE : 8 : SUNDRY DEBTORS :

(unsecured, Considered good)

Over Six Months	21,523	21,523
Others	-	-
Total :	21,523	21,523

PRERNA INFRABUILD LTD.

SCHEDULE FORMING PARTS OF THE BALANCE SHEET

PARTICULARS	AS ON 31.3.2010 Rs.	AS ON 31.3.2009 Rs.
<u>SCHEDULE : 9 : CASH & BANK BALANCE :</u>		
Cash on Hand	41,475	—
Bank Balances :		
(i) Balance With Scheduled Banks		
- in current accounts	567,649	10,206,167
- in fixed deposits accounts	567,649	78,000,000
		88,206,167
(ii) Balance with Other Banks		
- in current accounts*	345,052	29,019
- in fixed deposits accounts#	-	-
	345,052	29,019
Total :	954,176	88,235,186
* Maximum balance during the year	1,727,265	35,769,953
# Maximum balance during the year	-	46,390
<u>Schedule : 10 : LOANS & ADVANCES :</u>		
(Unsecured, Considered good)		
(i) Loan to Employee	-	-
(ii) Advances recoverable in Cash or kind or for value to be received #	-	3393926
(iii) Advance for purchase of property (Company in which directors & relative are interested Rs.940000, Pre. Yr. Rs.Nil)	940000	-
(iii) Advance tax And TDS	9,694,410	9,505,906
(iv) Advance to Others	400,000	550,000
(iv) Loan to Others *	-	-
(v) Deposits	8,250	8,250
(vi) Prepaid Exp	51,848	
Total :	11,094,508	13,458,082
* Maximum amount due from directors and parties covered by section 301 of the Companies Act during the year	Nil	Nil
# Advance to company in which directors are interested. Maximum amount due from it during the year	1,450,000	14,000,000

PRERNA INFRABUILD LTD.

SCHEDULE FORMING PARTS OF THE BALANCE SHEET

PARTICULARS	AS ON 31.3.2010 Rs.	AS ON 31.3.2009 Rs.
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SCHEDULE : 11 : CURRENT LIABILITIES & PROVISIONS :

A) Current Liabilities

Sundry Creditors for Goods and Exps.	62,198	193,130	
Advance from Customers	105,000	-	
TDS Payable	339	22,325	215,455

B) Provisions

Provision for Taxation (F.Y.2004-05)	15,902	15,902	
Provision for Taxation (F.Y.2005-06)	-	-	
Provision for Taxation (F.Y.2006-07)	3,055,000	3,055,000	
Provision for Taxation (F.Y.2007-08)	4,450,000	4,450,000	
Provision for Taxation (F.Y.2008-09)	555,000	555,000	8,075,902

FBT Provision

FBT Provision for Taxation (F.Y.2007-08)	145,000	145,000	
FBT Provision for Taxation (F.Y.2008-09)	75,000	75,000	220,000

Total : **8,463,439** **8,511,357**

SCHEDULE :12 : DEFERRED TAX ASSET/LIABILITIES(NET) :

Deffred tax assets	315,855	265,230
	315,855	265,230

SCHEDULE : 13 : SALES :

Sale of Furniture Trade	2,160,900	-
Land development rights (Net)	3,925,000	-
Profit Charges	-	8,634,302
Service Charges on maintanance of complexes	1,239,788	-
Total :	7,325,688	8,634,302

SCHEDULE : 14 : OTHER INCOME :

Dividend from Companies & Mutual Fund	19,426	4,039,304
Interest on FDs with Banks	475,621	3,604,779
Misc. Income	15,500	34,448
Other Interest	226,537	
Profit on sale of Shares without STT	513,339	
Profit on sale of MF without STT	317,320	
Total :	1,567,743	7,678,531

SCHEDULE : 15 : INCREASE IN STOCK :

Closing stock of Furniture stock	2,068,435	-
Less : Opening stock of Furniture stock	-	
Total :	2,068,435	-

SCHEDULE : 16 : PURCHASE :

Purchase of Furniture	4229335	-
Total :	4229335	-

PRERNA INFRABUILD LTD.

SCHEDULE FORMING PARTS OF THE BALANCE SHEET

PARTICULARS	AS ON 31.3.2010 Rs.	AS ON 31.3.2009 Rs.
<u>SCHEDULE : 17 : DIRECT EXPENSES :</u>		
Securities Transaction Tax	-	-
VAT	25,000	-
Demat Fees	-	202
Labour Exps.	-	14,000
Brokerage	-	90,000
Damages	-	1,950,000
Steel Wire Fencing Exp.	70,000	415,000
Total :	95,000	2,469,202
<u>SCHEDULE : 18 : SALARY, WAGES & OTHER BENEFITS :</u>		
Director's Remuneration	1,620,000	1,620,000
Salary	2,244,244	2,138,406
Bonus	294,281	293,050
Leave Salary	11,833	25,000
Total :	4,170,358	4,076,456
<u>SCHEDULE : 19 : ADMINISTRATIVE AND GENERAL EXPENSES :</u>		
Advertisement Exps.	188,998	70,422
Audit Fees	67,500	106,742
Building Maintenance Exps.	103,824	85,824
Electricity Expenses	456,576	300,536
Electric fitting Exp.	-	8,280
Insurance Premium Expenses	105,248	89,629
Listing Fees	50,715	39,997
Municipal Taxes	93,373	114,781
Office Maintenance Exps.	141,308	150,508
Office renovation Exp.	-	337,277
Petrol and Conveyance	3,131	3,977
Car Petrol Exps.	154,093	105,052
Postage Exps.	-	27,753
Printing and Stationery Exps.	5,554	18,052
Professional and Legal Fees	193,958	374,042
Repairs and Maintenance - Car	5,760	14,446
Repairs and Maintenance - Other	72,962	98,507
Security Exps.	100,099	67,840
STT on mutual fund	4,180	112,820
Service tax penalty	1,220	14,000
Telephone Expenses	136,924	116,483
Traveling Expenses-Directors	53,806	883,126
Bank Charges	4,298	3,629
Miscellaneous Expenses	9,386	24,693
Foreign Travelling-Directors	97,566	-
Loss on sale of Fixed assets	168,824	-
Total :	2,219,303	3,168,416

SCHEDULE FORMING PARTS OF THE BALANCE SHEET

PPARTICULARS	AS ON 31.3.2010 Rs.	AS ON 31.3.2009 Rs.
<u>SCHEDULE : 20 : INTEREST:</u>		
Interest on Car Loan	3,913	34,726
Interest on Fringe Benefit Tax / TDS	16,080	309
Interest to Others	-	151,345
Interest on loan from SBI	-	11,482
Total :	19,993	197,862

SCHEDULE : 21 : NOTES FORMING PART OF ACCOUNTS AS ON 31.03.2010

I. SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF ACCOUNTING:

The accounts are prepared on historical cost as going concern concept adopting accrual basis. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

2 FIXED ASSETS & DEPRECIATION:

Fixed Assets except land are stated at cost less depreciation. Depreciation on all assets except land is provided on written down value method as provided in Schedule - XIV of the Companies Act, 1956, on prorata basis.

3 INVESTMENTS:

Investments which are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost.

4 REVENUE RECOGNISATION:

- During the year Company has carried on the business of furniture. Unsold stock is shown as stock in trade.
- During the year Company has sold the rights of development of land and construction thereto and profit derived from it is shown as development rights (Net).
- Interest income is recognised on accrual basis.
- dividend income is recognised when the right to receive the dividend is established.
- The realised gains or losses on mutual fund unit is the difference between the net sale consideration and the cost in the books of the company.

5 RETIREMENT BENEFITS:

As informed, the law relating to retirement benefits are not followed by the company however the retirement benefits are accounted for on cash basis.

6 TAXATION

- Current tax in respect of taxable income is provided for the year based on applicable tax rates and laws.
- Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization.

7 PROVISION:

A provision is recognised for a present obligation as a result of past event. It is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate, required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

8 CONTINGENT LIABILITIES / ASSETS

The company has provided for all liabilities and there are no contingent liabilities. The contingent assets are neither recognised nor disclosed in the Financial Statements.

II. OTHER NOTES :-

- (i) Figures have been rounded off to the nearest multiple of rupee.
- (ii) Figures of previous year have been regrouped and re-arranged wherever necessary.

	<u>2009-10 (Rs.)</u>	<u>2008-2009 (Rs.)</u>
(iii) Director's Traveling	151,372	883,126
(iv) Directors Remuneration		
Salaries	1,620,000	1,620,000
Bonus	135,000	135,000
	<u>1,755,000</u>	<u>1,755,000</u>

Computation of Net Profits in accordance with Section 198 of the Companies Act. 1956 and the commission payable to directors

	<u>2009-10 (Rs.)</u>	<u>2008-2009 (Rs.)</u>
Net Profit before tax	(685,872)	4,843,201
Add : Directors Remuneration	1,755,000	0
Loss on sale of Mutual Fund (Net)	0	565,158
Depreciation as per books	913,749	1,106,900
	<u>2,668,749</u>	<u>1,672,058</u>
	1,982,877	6,515,259
Less : Profit on sale of Mutual Fund (Net)	830,659	NIL
Depreciation u/s. 350	913,749	1,106,900
	<u>1,744,408</u>	<u>1,106,900</u>
Net Profit for Section 198 of the Companies Act, 1956	238,469	5,408,359
Commission to Directors	NIL	NIL
Remuneration to whole time director	1,755,000	1,755,000
Remuneration to non-whole time director	NIL	NIL
(v) Payment to Auditors:		
As Audit fees	60,000	84,270
As Tax Audit fees	7,500	22,472
Other Taxation matters	0	11,236
(vi) Expenditure in foreign currency :		
Travelling expenses	94,566	294,412

PRERNA INFRABUILD LTD.

- (vii) Details of items 4C of Part II Schedule VI are not applicable.
- (viii) There are no dues towards S.S.I.
- (ix) The disclosure of the quantitative details of sales, purchase, opening stock and closing stock is not applicable as the company is neither engaged in trading nor in manufacturing activity during the year.
- (x) Related Party disclosure:

a) List of Related Parties and relationships

<u>A. Party</u>	<u>Relation</u>
Enterprises over which significant influence	
- Prerna Hospital Pvt. Ltd.	Mr. V.C. Shah - Managing Director Mrs. N. V. Shah - Director Mr. S. V. Shah - Director
- Prerna Stock Brokers Pvt. Ltd.	Mr. V. C. Shah - Managing Director Mrs. N. V. Shah - Director Mr. S. V. Shah - Director
- Prerna Builders Ltd.	Mr. V. C. Shah - Managing Director Mrs. N. V. Shah - Director Mr. S. V. Shah - Director
- Prerna Developers	Mr. S.V. Shah
B. Key Management Personnel	
- Vijay C. Shah	Chairman
- Sanket V. Shah	Wholetime Director Finance
- Nalini V. Shah	Wholetime Director Finance
- Swetal C. Parikh	Wholetime Director Finance
C. Relatives of Key Management Personnel	
- Sanket V. Shah (HUF)	HUF of Mr. S.V. Shah
- Vijay C. Shah (HUF)	HUF of Mr. V.C. Shah
- Chandulal D. Varia	Father of Mr. V. C. Shah
- Niyati S. Shah	Spouse of Mr. S.V. Shah
- Chandulal D. Varia (HUF)	HUF of Father of Mr. V. C. Shah

PRERNA INFRABUILD LTD.

b) Disclosure required for related parties transactions.

Transaction	Enterprise over which significant influence by Directors and Key Management Personnel	Key Management Personnel	Relative of Key Management Personnel
I Transactions during the period			
Loan taken			
- Prerna Developers	250,000		
- Prerna Builders Ltd.	1,900,00		
- Prerna Hospitals Pvt. Ltd.	1,325,000		
- Vijay C. Shah		3,671,950	
- Nalini V. Shah		456,700	
- Niyati S. Shah			1,929,230
- Vijay C. Shah (HUF)			300,000
- C. D. Variya			25,000
- Sanket V. Shah		1,156,270	
- Swetal C. Parikh		4,195,520	
Loan given / Repaid			
- Sanket V. Shah		1,156,270	
- Vijay C. Shah		3,684,700	
- Nalini V. Shah		456,700	
- C. D. Variya			25,000
- Swetal C Parikh		4,195,520	
- Vijay C Shah (HUF)		11,200,000	
- Niyati S. Shah			1,944,230
- Prerna Builders Ltd.	11,200,000		
- Prerna Developers	19,040,123		
- Prerna Hospitals Pvt. Ltd	2,250,000		
Fixed assets Purchased			
- Prerna Developers	235,000		
Interest received from			
- Vijay C. Shah		12,750	
- Sanket V. Shah		11,759	
- Nalini V. Shah		8,669	
- Swetal C Parikh		160,156	
- Niyati S. Shah			13,597
Salary to:			
- Niyati S. Shah			585,000
Remuneration to Directors:			
- Vijay C. Shah		585,000	
- Sanket V. Shah		585,000	
- Nalini V. Shah		585,000	
Amount outstanding as on Balance Sheet date			
Loan taken/ Repaid :			
- Prerna Developers	Nil		
- Prerna Builders Ltd.	Nil		
- Prerna Hospitals Pvt. Ltd	925,000		
- Vijay C. Shah		Nil	
- Nalini V. Shah		Nil	
- Niyati S. Shah			Nil
- Vijay C. Shah(HUF)			Nil
- C. D. Variya			Nil
- Sanket V. Shah		Nil	
- Swetal C. Parikh		Nil	
(xii) Earning Per Share has been computed as under :	2009-10		2008-09
Net Profit	(635,247)		4,175,715
Weighted average number of Equity shares of Rs. 10/- each outstanding	60,72,600		60,72,600
Basic and Diluted Earning Per Share	(0.10)		0.69
As per our report of even date	For, Prerna Infrabuild Ltd.		
For, Alpesh Shah & Co.			
Chartered Accountants			
(Alpesh C. Shah)	Director	Director	Director
(Proprietor) M.N.105463			
Place : Ahmedabad	Place : Ahmedabad		
Date : 15-05-2010	Date : 15-05-2010		

PRERNA INFRABUILD LTD.

CASH FLOW STATEMENT FOR THE YEAR 2009-2010

PARTICULARS	2009 - 2010		2008 - 2009	
Cash flows from operating activities:				
Net Profit before taxation, and extraordinary items		(685,872)		4,843,201
Adjustment for:				
Depreciation	913,749		1,106,900	
Interest Expenses	19,993		197,862	
Profit /(Loss) on sale of Shares/MF	(830,659)		452,338	
Dividend Income	(19,426)		(4,039,305)	
Fixed Deposit Interest Income	(702,158)		(3,606,321)	
Income tax paid	16,080			
Loss from sale of Fixed Assets	168,824	(433,597)		(5,888,526)
Operating Profit before working capital change		(1,119,469)		(1,045,325)
Movement in working capital:				
Decrease/(Increase) in Inventories	(2,068,435)		0	
Decrease/(Increase) in Sundry Debtors	0		10,841,262	
Decrease/(Increase) in loans & advances	2,363,574		10,660,636	
Increase/(Decrease) in Sundry Creditors	(47,918)	247,221	(3,929,776)	17,572,122
Cash generated from operation		(872,248)		16,526,797
Income Tax and FBT Paid		(16,080)		(1,886,746)
Net cash from operating activities		(888,328)		14,640,051
Cash flows from investing activities:				
Sale of Mutual Fund	106,835,067		288,138,848	
Purchase of Mutual Fund	(138,867,339)		(268,377,514)	
Interest Income	702,158		3,606,321	
Dividend	19,426		4,039,305	
Sale of Fixed Assets	175,000		0	
Purchase of fixed asset	(6,326,092)		(3,378,016)	
Net cash from investing activities		(37,461,780)		24,028,944
Cash flows from financing activities:				
Loan taken	0		23,000,000	
Loan repayment	(10,155,786)		(13,348,554)	
Interest paid	(19,993)		(197,862)	
Unsecured loan taken/recovered	15,209,670		88,213,588	
Unsecured loan repaid/given	(53,964,793)		(49,458,465)	
Net cash from financing activities		(48,930,902)		48,208,707
Net increase in cash and cash equivalents		(87,281,010)		86,877,702
Cash and cash equivalents at beginning of period		88,235,186		1,357,484
Cash and cash equivalent at end of period		954,176		88,235,186
Components of Cash and Cash Equivalents as at :		31/03/2010		31/03/2009
Cash on hand		41,475		375
Balance with Banks:				
- On current account		912,701		357109
- On deposit account		0		1000000
		954,176		1357484
		0		

Notes:

- (1) Cash and cash equivalents at the end of the year represent cash at bank and deposits with bank.
- (2) The figures of the previous year have been regrouped/reclassified, wherever necessary, in conformity with the classification of the current year.

As per our report of even date.

For, Alpesh Shah & Co.
Chartered Accountants
(FRN-128461W)
Alpesh C Shah
(Proprietor)

Place : Ahmedabad
Date : 15-05-2010

For, Prerna Infrabuild Limited

(Director) (Director) (Director)

Place : Ahmedabad
Date : 15-05-2010

PROXY FORM

Affix
1 Rupee
Revenue
Stamp

Regd. Folio No./DP ID/client ID.....

I/We.....of

..... being a member / members of Prerna Infrabuild Limited

hereby appointof

..... as my/our proxy or failing him
her..... of

..... as my proxy to vote for me/us on my/our behalf at
the 22nd Annual General Meeting of the company to be held on "Prerna", Survey No. 820/1, Makarba, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Ahmedabad-380 058 and at any adjournment thereof.

Signed this day
of 2010

NOTE :

The proxy form in order to be effective, should be duly stamped, completed and deposited at the registered office of the company at "Prerna", Survey No. 820/1, Makarba, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Ahmedabad-380 058 not less than 48 hours before the time for holding the meeting.

Prerna Infrabuild Limited

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

ATTENDANCE SLIP

22nd Annual General Meeting

Regd. Folio No./DP ID/Client ID

No. of shares held

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on "Prerna", Survey No. 820/1, Makarba, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Ahmedabad-380 058.

Name of the member / proxy

.....
(in BLOCK letters)

.....
Signature of member / proxy

Note:

Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Shareholders are informed that no duplicate attendance slips will be issued at the venue of meeting. Members are requested to bring their copies of the Annual Report to the meeting.

PRERNA INFRABUILD LIMITED.

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