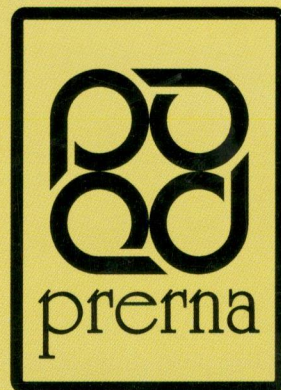
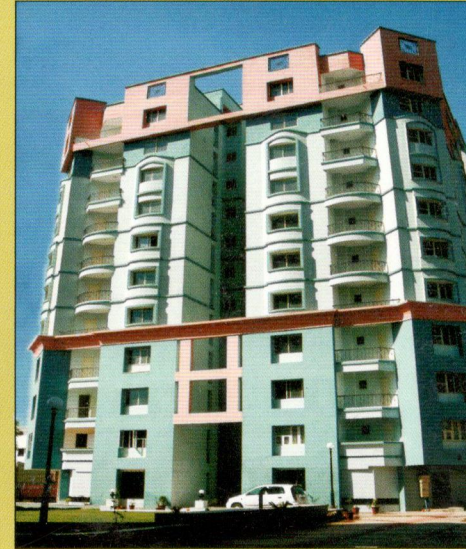
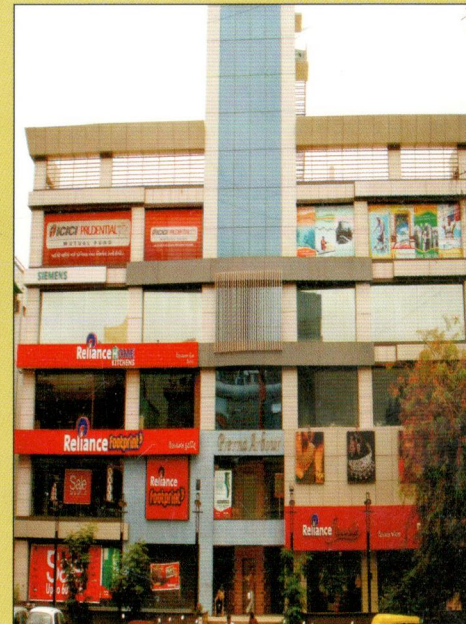




# 25<sup>th</sup> Annual Report 2012-13



Defining Quality



## Prerna Infrabuild Ltd.



# I N D E X

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**CORPORATION INFORMATION****Board of Directors**

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

**Audit Committee**

Chairman	Kiranbhai Shah
Member	Dinesh Kamdar
Member	Mahendra K. Gosaliya

**Auditor**

Alpesh Shah & Co.,  
Chartered Accountant  
202, Parth Avenue,  
Nr. Naranpura Cross Road,  
Naranpura,  
Ahmedabad-380 013

**Practising Company Secretary**

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

**Registered Office**

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

**Register & Share Transferred Agent**

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

**Website**

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

**Banker**

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

**NOTICE**

Notice is hereby given that the 25<sup>th</sup> Annual General Meeting of the members of Prerna Infrabuild Limited will be held on Thursday, 26<sup>th</sup> September, 2013, at 10.00 a.m. at the Registered Office of the Company situated at 'PRERNA', Survey No 820/1, In Lane of Panchvati Auto, Opp. : Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider & adopt the Balance Sheet as at 31<sup>st</sup> March, 2013, the statement of Profit & Loss for the year ended on that date and the reports of the Directors' & Auditors thereon.
2. To appoint a director in place of Shri Sanket V. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri Mahendra K. Gosalia, 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 25<sup>th</sup> Annual General Meeting till conclusion of 26<sup>th</sup> Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxies, in order to be effective, must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this notice.
3. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of Shri Sanket V. Shah and Shri Mahendra K. Gosalia, Directors retiring by rotation and seeking re-appointment under Item No. 2 and Item No.3 of the Notice respectively, are annexed herewith.
4. Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 19 Sept, 2013 to, Thursday, 26 Sept., 2013 (both days inclusive).
5. The Register of Directors' shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection by members at the AGM.
6. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the Members at the Registered Office of the Company.
7. As a Green Initiative in the Corporate Governance, the Ministry of Corporate Affairs ("MCA") vide its circular bearing nos. (i) 17/2011 dated April 21, 2011 and (ii) 18/2011 dated April 29, 2011 allowed the Companies to send various notices/ documents (including Notice conveying AGM, Audited Financial Statements, Auditors' Report, Directors Report and other related documents) to shareholders through electronic mode, to the registered email Id of the shareholders. Pursuant to said Green Initiative. The Company urges the members to communicate their email id to the Company and / or RTA, so that the Company can send future communications to these shareholders in electronic mode.
8. Members are requested to visit the website of the Company [www.pernagroup.com](http://www.pernagroup.com) for viewing the quarterly & annual financial results and for more information of the Company.
9. For any investor-related queries, communication may be sent by e-mail to [investor@prernagroup.com](mailto:investor@prernagroup.com)

10. Big Share Services Private Limited is the Registrar & Share Transfer Agent (R&T Agent) of the Company. All investor related communication may be addressed to Big Share at the following address;  
  
Big Share Services Private Limited, E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka Andheri (E), Mumbai, 400 072  
  
Tel: 91-22-8470652|40430200|28470653, Fax: 91-22-28475207, E Mail- [marketing@bigshareonline.com](mailto:marketing@bigshareonline.com)
11. For effecting changes in address/bank details/ECS (Electronic Clearing Service) mandate, members are requested to notify:
  - (i) The R&T Agent of the Company, viz. Big Share, if shares are held in physical form; and
  - (ii) Their respective Depository Participant (DP), if shares are held in electronic form.
12. Members are requested to send their queries, if any, to reach the Company at its Registered Office, at least 10 days before the meeting, so that the information can be compiled in advance.
13. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
14. Details of the Directors seeking re-appointment in the Twenty Fifth Annual General Meeting.

[Pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange]

Particulars	Shri Sanket V. Shah	Shri Mahendra K. Gosalia
Relationships with other Directors	Son	None
Date of Appointment	29/05/2004	08/08/2003
Expertise	Finance & Marketing	Technical
Qualification	M.B.A	Mechanical Engineer
No. of Equity Shares held in the Company	1174440	100
List of other companies in which directorship are held	None	None
List of committees of the Board of Directors(across all companies) in which Chairmanship Membership is held	None	None

Note:

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

For and behalf of Board of Directors

Place : Ahmedabad  
Date : 17/05/2013

Sanket Shah  
Managing Director

**DIRECTORS REPORT**

To,

**The Members**

Your Directors have pleasure in presenting their 25<sup>th</sup> Annual report on the business and operations of your Company for the year ended March 31, 2013.

**FINANCIAL RESULTS:****[Rs. In Lacs]**

Particulars	2012-13	2011-12
Gross Income	323.78	893.21
Depreciation	18.01	19.77
Profit/Loss after Depreciation	(21.25)	49.85
Exceptional Profit / loss	(3.28)	82.36
Tax- Current	Nil	20.00
Deferred	(1.23)	(1.33)
Profit/loss after tax	(51.06)	111.12

**PERFORMANCE REVIEW**

The operating income in the form of sale of plot is decrease from 711.52 lacs to Rs. 201.92 lacs. This was due to completion of 'Prerna Aura' site.

The Company has incurred loss of Rs. 51.06 lacs against Profit of Rs.111.12 lacs in the previous year.

**APPROPRIATIONS****DIVIDEND**

In view of loss, the Board does not recommend any dividend for current year.

**TRANSFER TO RESERVES**

According to Companies (Transfer of Profits to Reserves) Rules, 1975, your Company is not mandatorily required to transfer certain minimum percentage of profits to general reserve.

**LIQUIDITY AND CASH EQUIVALENTS**

Your Company continues to retain its status of a debt-free Company. The Company has been conservative in its investment policy over the years, maintaining a reasonable level of cash and cash equivalents which enables the Company to completely eliminate short and medium term liquidity risks. Cash and cash equivalents constitute 18.42% of the total assets at Rs.2181.59 lacs, at the year end, against 52.71% of total assets at the close of the previous year. An amount of Rs.250.00 lacs was in bank fixed deposits at an average interest rate of 9.10% per annum as on 31<sup>st</sup> March, 2013.

**MANAGEMENT DISCUSSION & ANALYSIS**

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

**CORPORATE GOVERNANCE**

Pursuant to clause 49 of the listing agreement, a report on corporate governance along with auditors' certificate of its compliance is included as part of the annual report.

**DIRECTORS**

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

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

**CODE OF CONDUCT**

The code of conduct for all board members and senior management of the Company has been laid down and is being complied in words and spirit. The declaration on compliance of code of conduct signed by Chairman & Managing Director of the Company is included as a part of this annual report.

**SECRETARIAL AUDIT**

Pinakin Shah & Co., Practicing Company Secretary, Ahmedabad, conducted Secretarial Audit pursuant to provisions of Section 383A of the Companies Act, 1956, for the financial year 2012-13. Pinakin Shah & Co. has submitted the Report confirming compliance with the applicable provisions of Companies Act, 1956 and other rules and regulations issued by SEBI/other regulatory authorities for corporate laws.

**LISTING OF SHARES**

The Company's share continues to remain listed with the Bombay Stock Exchange, where the share is traded.

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

Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988: Part A and B pertaining to conservation and technology absorption are 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

**PARTICULARS OF EMPLOYEES**

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees' amendment) Rules, 1988 as amended from time to time is nil.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to sub-Section (2AA) of Section 217 of Companies Act, 1956 the Board of Directors of the Company hereby State and confirm that :

- “ in preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- “ the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at end of the financial year and of the profit or loss of the company for that period;
- “ the Directors had 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;
- “ the Directors had prepared the annual accounts on a going concern basis.

**CASH FLOW**

A Cash Flow statement for the year ended March 31, 2013 is attached to the Balance Sheet.

**AUDITORS AND AUDITORS' REPORT**

The Auditors M/s. Alpesh Shah & Co., Chartered Accountants, Ahmedabad, holds office until the conclusion of the 25<sup>th</sup> 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 2013-14. 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.

**FIXED DEPOSITS**

The Company has not invited or accepted any deposits from the public

**INSURANCE**

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

**ACKNOWLEDGEMENTS**

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

Registered Office  
"PRERNA", Survey No 820/1,  
In lane of Panchvati Auto,  
Opp. Anand Dham Derasar,  
S.G. Road, Makarba,  
Ahmedabad.

For and behalf of Board of Directors

Chairman & Managing director  
Vijay C. Shah

Date : 17/05/2013



## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

Year 2012 was subdued for real estate due to inflationary pressures and rising interest rates, coupled with the ongoing economic crisis in the Euro zone and US. GDP growth progressions for the country have been fairly narrow and revised lower continually over the last few months, with the economy expected to grow at an abysmal rate of just 5.3% - 5.5% in 2013.

### **POLICY UPDATES**

The recent move by the government to open multi-brand retail to FDI will be a powerful vehicle in bringing the retail sector on the trajectory of the much needed growth.

Also, the issues related to the Land Acquisition and Real Estate Regulation Bills if passed by parliament, will help to bring in much needed efficiency, transparency and accountability in the sector.

### **OPPORTUNITIES**

The government now appears close to launching the National Investment Board. Therefore, overall sentiment for 2013 is expected to be one of cautious optimism. The Wholesale Price Index (WPI) indicates inflation in the country has fallen and core inflation has declined. Besides this, some relief measures for both developers and investors can be expected in the form of decline in interest rates and increased liquidity in the near future. This could help stimulate demand for real estate.

With multi-brand retailers entering the market, retail property will witness renewed demand and uptake along with improved investor confidence in the sector.

### **THREATS**

There is a challenge in achieving operational efficiencies by improvement in construction productivity and delivery of projects in hand with the help of technological advances. Up-skilling of existing manpower would be bigger challenge.

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The company is engaged in a single segment, namely, real estate development.

### **FUTURE OUTLOOK**

The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. Your Company expects sluggish economic and business environment to continue to be challenging for the next few quarters. The Company will launch semi-luxury premium housing scheme shortly.

### **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.

Registered Office  
"PRERNA", Survey No 820/1,  
In lane of Panchvati Auto,  
Opp. Anand Dham Derasar,  
S.G. Road, Makarba,  
Ahmedabad.

Date : 17/05/2013

For and behalf of Board of Directors

Chairman & Managing director  
Vijay C. Shah

## **CORPORATE GOVERNANCE REPORT**

**(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 Bombay 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. All mandatory requirements as also a few non-mandatory requirements prescribed by Clause 49 of the Listing Agreement have been implemented by the Company. Non-mandatory requirements such as formation of Remuneration Committee have been implemented. Codes of business conduct, adopted by the directors and senior management personnel, are posted on the website of the Company [www.pernagroup.com](http://www.pernagroup.com)

All Board members and senior management personnel have affirmed compliance with the respective codes of conduct for the year ended March 31, 2013. In terms of Clause 49 (I) (D) of the Listing Agreement, the Managing Director has given the requisite declaration to this effect. In terms of Clause 49 (V) of the Listing Agreement, the Chairman and Managing Director [CEO] and Managing Director [CFO] have given the requisite certification to the Board of Directors in the prescribed format for the period under review.

#### **2. BOARD OF DIRECTORS**

##### **Composition of Board:**

The strength of the Board as on March 31, 2013 was six, of which, three are executive promoter directors and three are independent directors. The requisite particulars are given below :-

Name of Directors	Attendance Particular				Other Committee Membership	
	Category	Board Meeting	Last AGM	Other Directorship	Member	Chairman
Shri Vijay C Shah	CMD	5	Yes	Ajitnath Infrastructure Pvt. Ltd.	No	No
Smt Nalini V Shah	WTD	5	Yes	No	No	No
Shri Sanket V Shah	MD	5	Yes	Ajitnath Infrastructure Pvt. Ltd.	No	No
Shri Kiran H Shah	NEI	5	No	No	No	No
Shri Dinesh V Kamdar	NEI	5	Yes	No	No	No
Shri Mahendra K. Gosalia	NEI	5	Yes	No	No	No

CMD- Chairman & Managing Director, M.D.- Managing Director, WTD- Whole-Time Director NEI-Non Executive Independent

#### **BOARD MEETINGS**

The Board of Directors oversees management performance in order to ensure adherence to highest standards of corporate governance. The Board evaluates the strategic direction, management policies and their effectiveness and provides guidance and leadership to the management in achieving set goals. Board meeting dates are finalised in consultation with all directors. The Board is regularly apprised about important business related information and developments. Board members express opinions and bring up matters for discussion at its meetings. Board meeting minutes are circulated to all Directors in advance and confirmed at the subsequent Board meeting.

Copies of signed minutes of the various Committees of the Board and Board meetings of subsidiaries of the Company are tabled at Board meetings.

### **DETAILS OF BOARD MEETINGS**

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board meetings are held at least once every quarter and the time gap between two meetings is not more than four months. During the year, Five Board Meetings were held.

Date of Meeting	No of Directors Present
30/05/2012	5
30/07/2012	5
15/10/2012	5
30/10/2012	5
30/01/2013	5

### **3. AUDIT COMMITTEE**

The Audit Committee comprises of following members:

Name	Designation	Attendance
Shri Kiran Shah	Chairman - Non Executive Independent	4
Shri Mahendra Gosalia	Non Executive Independent	4
Shri Dinesh Kamdar	Non-Executive Independent	4

Compliance officer acts as the Secretary of the Committee. All the members of the Audit Committee are financially literate. The Chairman of the Committee attended the last Annual General Meeting of the Company held on September 27<sup>th</sup> 2012. The meetings of the Audit Committee are attended by representatives of accounts and statutory auditors. The Audit Committee addresses matters pertaining to appropriateness of audit tests and checks, reliability of financial statements, adequacy of provisions for liabilities and internal controls. The Committee lays emphasis on adequate disclosures and compliance with all relevant statutes. The Committee performs the functions enumerated in Clause 49 of the Listing Agreement, Section 292A of the Companies Act, 1956 and duties cast upon from time to time by the Ministry of Corporate Affairs through its circulars and notifications. The matters deliberated upon by the Committee include:-

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending to the Board, the appointment of statutory auditors, fixation of audit fees and approval of payments for any other services rendered by them.
- 3) Reviewing with the management the quarterly and annual financial statements before submission to the Board for approval with particular reference to: -
  - a) matters required to be included in the Directors' Responsibility Statement in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of related party transactions; and
  - g) qualifications in the draft audit report, if any.
- 4) Reviewing with the management, the performance of statutory auditors and adequacy of the internal control systems.
- 5) Discussion with statutory auditors before the audit commences about the nature and scope of audit as also post-audit discussion to ascertain areas of concern.

#### **Details of Audit Committee Meetings:**

The Audit Committee met four times during the year review on 30/05/2012, 30/07/2012, 30/10/2012 and 30/01/2013 and was attended by all members.

#### 4. **REMUNERATION COMMITTEE**

The Remuneration Committee comprises of following members:

Name	Position	Category
Shri Kiran H Shah	Chairman	Non Executive Independent
Shri Dinesh V Kamdar	Member	Non Executive Independent
Shri Mahendra Gosalia	Member	Non Executive Independent

The Committee performs functions enumerated in Clause 49 of the Listing Agreement as also Schedule XIII of the Companies Act, 1956 and recommends to the Board the remuneration payable to executive directors. The Committee recommends the remuneration package after considering factors such as experience, expertise, position, responsibilities to be shouldered by the individual, leadership qualities, the volume of Company's business and profits earned by it.

Presently, the company does not have a scheme for grant for stock option or performance-linked incentives for its Directors. It met once during the year on 15/10/2012 and all members attended it.

#### **Details of remuneration paid to Directors**

The aggregate value of salary and perquisites including commission payable for the year ended 31<sup>st</sup> March, 2013 to the Managing Director/Executive Directors is as follows:

Name of Director	Salary paid in Rs.(including benefits)	Service Contract
Shri Vijay Shah	9,00,000/-	5 years w.e.f. 1 <sup>st</sup> January, 2011
Shri Sanket Shah	9,00,000/-	5 years w.e.f. 1 <sup>st</sup> January, 2011
Smt. Nalini Shah	9,00,000/-	5 years w.e.f. 1 <sup>st</sup> January, 2011

**Details of sitting fees and shares held by Non-Executive Directors are as under:**

Name of the Director	Sitting fees paid	No. of Equity Shares held
Shri Mahendra K. Gosalia	Nil	100
Shri Kiran Shah	Nil	3000
Shri Dinesh Kamdar	Nil	100

#### 5. **SHAREHOLDERS / INVESTOR'S GRIEVANCES COMMITTEE**

The Shareholders / Investors' Grievances Committee comprises following Directors

Name	Designation	Attendance
Shri Dinesh Kamdar-Chairman	Non-executive Independent	4
Shri Sanket Shah	Managing Director	4

The Shareholders / Investors' Grievances Committee met four times during the year review on 30/05/2012, 30/07/2012, 30/10/2012 and 30/01/2013 and was attended by all members and Meetings of the Investors' Grievances Committee are also attended by the head of Investors' Services Department i.e. Compliance officer.

The Committee oversees functioning of the Investors' Services Department covering all facets of the operations including transfer of shares in physical form, dematerialisation of shares and activities related to dividend and depository operations. The Committee also closely monitors investor grievance redressal system of the department.

Your Company received nil complaints from shareholders during the year. As on March 31, 2013, no complaints remained pending/un-attended and no share transfers remained pending for over 30 days, during the year.

### **SHARE TRANSFER COMMITTEE**

The Board of Directors has delegated power of approving transfer of securities to Shri Vijay Shah and Shri Sanket Shah. The Committee, inter alia, reviews and approves the transfer/transmission/demat of equity shares as submitted by Big share services Private Limited, the Registrar and Transfer Agent of the Company.

Details of the Investors' Grievances Committee Meetings

It met 6 times during the year to approve transfer/ transmission/ demat of equity shares. It transferred 2800 equity shares submitted through physical transfer deed

### **6. DETAILS OF LAST THREE ANNUAL GENERAL MEETING**

Year	Venue Of AGM	Day, date & time	No. of Special Resolutions passed
2009-10	"PRERNA", Survey No 820/1, In Lane of Panchvati Auto, Opp: Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058	Thursday, 30/09/2010 at 10.00 a.m.	Nil
2010-11	"PRERNA", Survey No 820/1, In Lane of Panchvati Auto, Opp: Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058	Tuesday, 27/09/2011 at 10.00 a.m.	2
2011-12	"PRERNA", Survey No 820/1, In Lane of Panchvati Auto, Opp: Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058	Thursday, 27/09/2012 at 10.00 a.m.	Nil

No business was required to be transacted through postal ballot at the above meetings. Similarly, no business is required to be transacted through postal ballot at the forthcoming Annual General Meeting.

### **7. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

During the year under review, there were no materially significant related party transactions between the Company and its promoters, directors, management or their relatives, etc. which may have potential conflict with the interests of the Company. Statements of transactions in summary form with related parties in the ordinary course of business and material individual transactions with related parties, which were not in the normal course of business, were placed at meetings of the Audit Committee. The Audit Committee reviews statements of related party transactions submitted by the management. Details of transactions in which Directors are interested are recorded in the Register of Contracts maintained pursuant to the provisions of Section 301 of the Companies Act, 1956 and the same is placed at Board meetings and is signed by the Directors present. In compliance with Accounting Standard AS 18, details of related party transactions are disclosed in the notes to accounts that form part of the balance sheet and profit and loss account.

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and they have not imposed any penalties on, or passed any strictures against the Company.

### **8. MEANS OF COMMUNICATION**

Quarterly and annual financial results of the Company are submitted to the stock exchanges immediately after the Board approves them. Thereafter, the same are published in The Economic Times (English and Gujarati) newspapers. Disclosures pursuant to various clauses of the Listing Agreement are promptly communicated to the stock exchanges.

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**

#### **EXCLUSIVE EMAIL ID FOR INVESTOR GRIEVANCES**

Pursuant to Clause 47 (f) of the Listing Agreement, the following email id has been exclusively designated for communicating investor grievances: investor@prernagroup.com

Person in-charge of the Department:

Ms. Swetal Shah, Vice President.



**ANNUAL GENERAL MEETING**

The 25<sup>th</sup> Annual General Meeting will be held at 10.00 a.m. on Thursday, September 26, 2013, at 'PRERNA', Survey No 820/1, In Lane of Panchvati Auto, Opp: Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058

**FINANCIAL CALENDAR**

First quarter results: July 2013  
Second quarter results: October 2013  
Third quarter results: January 2014  
Annual results: April/May 2014  
Annual General Meeting: August/September 2014

**BOOK CLOSURE**

The Register of Members and the Share Transfer Register will remain closed from 19<sup>th</sup> September, 2013 to 26<sup>th</sup> September, 2013, (both days inclusive).

**DIVIDEND PAYMENT DATE**

Not applicable

**SHARES LISTED AT**

The equity shares of the Company are listed at:  
Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Samachar, Marg, Mumbai - 400 001

Annual Listing fees for the year 2013-14 have been paid to Bombay stock exchange. The Company has also paid the Annual Custodial fees to both the depositories.

**STOCK CODES**

The stock codes of the Company is : 531802

**INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)**

ISIN is a unique identification number allotted to dematerialised scrip. The ISIN has to be quoted in each transaction relating to dematerialised shares of the Company. The ISIN of the equity shares of the Company is INE 426H01014.

**CORPORATE IDENTITY NUMBER (CIN)**

CIN of the Company, allotted by the Ministry of Corporate Affairs, Government of India:  
L65990GJ1988PLC010570

**HIGH/LOW OF MONTHLY MARKET PRICE OF THE COMPANY'S EQUITY SHARES TRADED ON THE BOMBAY STOCK EXCHANGES DURING THE FINANCIAL YEAR 2012-13 IS FURNISHED BELOW:**

MONTH	2 0 1 2 - 1 3	
	HIGH	LOW
April-2012	23.45	16.80
May-2012	22.85	19.30
June-2012	24.50	17.40
July-2012	23.10	17.00
August-2012	30.65	23.80
September-2012	33.45	22.55
October-2012	28.00	23.25
November-2012	32.30	25.15
December-2012	23.90	21.80
Jan -2013	23.00	16.00
Feb-2013	20.75	15.85
March -2013	17.90	13.80

**EVOLUTION OF CAPITAL**

Particulars of Equity shares issued by the Company:

Date of Allotment	Allotment of shares	Total issued	Capital at the end of financial year (₹)
15/05/1995	1380000	1380000	1995-1996
03/01/1996	1330000	2710000	1995-1996
02/03/1996	3362600	6072600	1995-1996
18/05/2011	1869910	7942510	2010-2011

**SHARE TRANSFER SYSTEM**

Company's shares in dematerialized form are transferrable through depositories. Shares in physical form are transferred by the Registrar & Transfer Agent and placed before the Share Transfer Committee for its approval. The Investor Grievance Committee meets at a regular interval to consider and approve the transfer, transmission, issuance of duplicate/ consolidated/sub-divided share certificates and requests for dematerialization/ dematerialization of Company's shares.

In terms of Clause 47 (c) of the Listing Agreement, every six months, a qualified Practising Company Secretary undertakes audit of the share transfer related activities carried out by the Department and issues a compliance certificate, which is submitted to the stock exchange.

**DISTRIBUTION OF SHAREHOLDING (AS ON MARCH 31, 2013)**

a) On the basis of Share held

Sl. No.	Category (Shares)	Electronic		Physical		Total		% to total Shares
		Holders	Shares	Holders	Shares	Holders	Shares	
1	1-500	509	113169	1095	307600	1604	420769	05.30
2	501-1000	76	65565	24	20500	100	86065	01.08
3	1001-2000	63	97887	13	18200	76	116087	01.46
4	2001-3000	23	57009	14	35000	37	92009	01.16
5	3001-4000	13	45850	3	10900	16	56750	00.71
6	4001-5000	15	67882	1	4100	16	71982	00.91
7	5001-10000	22	155369	2	13900	24	169269	02.13
8	More than 10000	30	6854279	5	75300	35	6929579	87.25
	TOTAL	751	7457010	1157	485500	1908	7942510	100

b) On the basis of Category

Category	No of Shares Held	% to Total Shares Held
Individual	1795776	22.61
Private Corporate Bodies	187623	2.36
Promoters	5943440	74.83
Non resident Indians	15671	0.20
Total	7942510	100.00

**DEMATERIALISATION OF SHARES AND LIQUIDITY**

Shares of the Company are traded compulsorily in dematerialised form and are available for trading with both the depositories with whom the Company has established direct connectivity. The demat requests received by the Company are continually monitored to expedite the process of dematerialisation. The demat requests are confirmed to the depositories within five working days of receipt.

During the year, the Company has electronically confirmed demat requests for 6100 equity shares. As on March 31, 2013, 93.89 % of the total shares issued by the Company were held in dematerialised form.

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Company has adopted a comprehensive Code of Conduct pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992, for prevention of insider trading in shares of the Company.

The Code of Conduct is implemented diligently mandating initial and continual disclosures from the senior officials, directors and auditors of the Company upon trading in the shares of the Company. The Code also restricts specified employees to deal in the shares of the Company on the basis of any unpublished price sensitive information available to them by virtue of their position in the Company.

The transactions of the insiders in the shares of the Company are subjected to trading window closures, pre-clearance of trades etc. as envisaged in the Code. The Code has been disseminated through the Company's intranet for easy access to the employees and is updated from time to time.

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

Pursuant to the provisions of the SEBI (Depositories & Participants) Regulations, 1996, quarterly audit is being undertaken by a Practising Company Secretary for reconciliation of share capital of the Company.

The audit report inter alia covers and certifies that the total shares held in NSDL, CDSL and those in physical form tally with the issued and paid-up capital of the Company, the Register of Members is duly updated, demat requests are confirmed within stipulated time etc. The Reconciliation of Share Capital Audit Report is submitted with BSE and is also placed before the meetings of the Board of Directors and the Investors' Grievances Committee.

**OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENT AS ON 31<sup>ST</sup> MARCH-13**

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2013.

**PLANT LOCATIONS**

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

**ADDRESS FOR CORRESPONDENCE**

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

- a. 'PRERNA', Survey No 820/1, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058
- b. Bigshare Services Private Limited, E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri (E), Mumbai-400 072  
Tel: 91-22-2847 0652 | 40430200 | 2847 0653 Fax: 91-22-2847 5207  
E-mail- [marketing@bigshareonline.com](mailto:marketing@bigshareonline.com)

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of Prerna Infrabuild Limited

We have examined the compliance of the conditions of corporate governance by Prerna Infrabuild Limited ("the Company") for the year ended on March 31, 2013, as stipulated in clause 49 of the listing agreements of the said company with relevant stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management.

Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated clause 49 of the above mentioned listing agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Pinakin Shah & Co.,

Place : Ahmedabad  
Date : 17/05/2013

Practicing Company Secretary  
FCS 2562, C.P No 2932

**DECLARATION PURSUANT TO CLAUSE 49 1 (D) (ii) OF THE LISTING AGREEMENT**

In accordance with Clause 49 1(D) (ii) of the Listing Agreement with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended March 31, 2013.

For and behalf of Board of Directors

Place : Ahmedabad  
Dated : 17/05/2013

(Sanket Shah)  
Managing Director

**CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT**

We, Shri Vijay Shah, Chairman & Managing Director (CEO) and Shri Sanket Shah, Managing Director (CFO) do hereby certify to the Board that:

- a) We have reviewed the Balance Sheet as at March 31, 2013, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date and that to the best of our knowledge and belief:
  - i) The said statements do not contain any false, misleading or materially untrue statements or figures or omit any material fact, which may make the statements or figures contained therein misleading;
  - ii) The said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year, if any;
  - ii) Significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Prerna Infrabuild Limited

For Prerna Infrabuild Limited

Vijay Shah (CEO)  
Chairman & Managing Director

Sanket Shah (CFO)  
Managing Director

Place : Ahmedabad  
Dated : 17/05/2013

**AUDITORS REPORT**

To,  
The Members of  
**PRERNA INFRABUILD LTD.**  
(Formerly known as Prerna Finsafe Ltd.)

- 1) We have audited the attached Balance Sheet of **PRERNA INFRABUILD LTD.** as at 31<sup>st</sup> March 2013 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 31<sup>st</sup> March 2013 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 at 31<sup>st</sup> March 2013 and
  - (b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.

**For ALPESH SHAH & CO.**  
Chartered Accountants  
ICAI Firm Reg. No.128461W

Place : Ahmedabad  
Date : 17/05/2013

Proprietor  
(Alpesh C.Shah)  
(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 not granted any loans to parties covered in the register maintained under section 301 of Companies Act, 1956.  
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 two shareholders of Rs.87.25 Lacs. The maximum amount involved during the year was Rs.87.25 lacs.
  - 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 accepted loan from two shareholder of Rs. 87.25 lacs. Subject to above company has not accepted any deposits from the public.
7. Company have an Internal Audit system commensurate with the size of the organisation..
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 at 31<sup>st</sup> March 2013 for a period of more than six months from the date of becoming payable except following:
  - As per explanation given to us Company has received the demand notices for Asst Yr 2009-10 of Rs. 4,49,790/- from Income Tax Department, against which the company has paid Rs. 225000/- and for balance company has filed the appeal. Apart from above no undisputed statutory dues 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 losses 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.

**For Alpesh Shah & Co.**  
Chartered Accountants  
ICAI firm Reg. No.128461W

Place : Ahmedabad  
Date : 17/05/2013

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

**CASH FLOW STATEMENT FOR THE YEAR 2012-2013**

Particulars	For the Year ended 31 March, 2013	For the Year ended 31 March, 2012
	Rupees	Rupees
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(2,454,184)	13,224,225
<u>Adjustments for:</u>		
Depreciation and amortisation	1,801,592	1,977,222
(Profit) / loss on sale / write off of assets	328,394	(8,235,635)
Finance costs	58,799	105,091
Interest income	(3,995,362)	(10,481,992)
Dividend income	-	-
Net (gain) / loss on sale of investments	(2,917,128)	(2,968,277)
Rental income from investment properties	(3,687,495)	(1,337,306)
Operating profit / (loss) before working capital changes	(10,865,384)	(7,716,672)
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(5,859,896)	5,040,943
Trade receivables	(82,312)	(56,574)
Short-term loans and advances	4,457,894	(6,220,598)
Long-term loans and advances	(75,064,895)	(1,189,924)
Other current assets	(57,769)	3,468,904
Other non-current assets	341,905	(14,095)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Other current liabilities except unpaid dividend	1,628,674	(71,403,612)
Other long-term liabilities	(272,418)	1,692,123
Short-term provisions	(334,573)	495,225
Cash generated from operations	(86,108,773)	(75,904,280)
Net income tax (paid) / refunds	-	(2,241,902)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(86,108,773)</b>	<b>(78,146,182)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	15,040,393	(47,434,052)
Proceeds from sale of fixed assets	-	42,301,348
Bank balances not considered as Cash and cash equivalents		
- Placed	(25,000,000)	(25,000,000)
- Matured	25,012,390	196,300,000
Sale of Current invest.not considered as Cash and cash equivalents	72,617,128	428,123
Purchase of current investments	(86,200,000)	-
Proceeds from sale of other non current investments	-	3,778
Purchase of long-term investments	-	(122,450,000)
Proceeds from sale of long-term investments	-	125,804,452
Interest received	3,995,362	10,481,99
Rental income from investment properties	3,687,495	1,337,306
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>9,152,768</b>	<b>181,772,947</b>
<b>C. Cash flow from financing activities</b>		
Repayment of other short-term borrowings	-	(5,329,427)
Finance cost	(58,799)	(105,091)
Dividends paid	-	(5,559,757)
Tax on dividend	-	(901,932)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(58,799)</b>	<b>(11,896,207)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(77,014,806)</b>	<b>91,730,558</b>
Cash and cash equivalents at the beginning of the year	91,966,702	236,144
<b>Cash and cash equivalents at the end of the year</b>	<b>14,951,896</b>	<b>91,966,702</b>

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	40,189,932	117,217,128
Less: Bank balances not considered as Cash and cash equivalents	25,238,036	25,250,426
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> ) included in Note 19	14,951,896	91,966,702
<b>Cash and cash equivalents at the end of the year *</b>	<b>14,951,896</b>	<b>91,966,702</b>
* Comprises:		
(a) Cash on hand	77,910	19,039
(b) Balances with banks		
(i) In current accounts	14,873,986	1,947,663
(ii) In deposit accounts with original maturity of less than 3 months	-	90,000,000
	<b>14,951,896</b>	<b>91,966,702</b>

**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

See accompanying notes forming part of the financial statements

In terms of our report attached.

For ALPESH SHAH & CO.  
Chartered Accountants  
ICAI Firm Reg. No. : 128461W

For and on behalf of the Board of Directors

Proprietor  
(Alpesh Shah)  
M.N. 105463

Chairman & M.D    Managing Director    Director  
Vijay C. Shah    Sanket V. Shah    Nalini V. Shah

Place : Ahmedabad  
Date : 17/05/2013

Place : Ahmedabad  
Date : 17/05/2013

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars		Note No.	As at 31 March, 2013 Rupees	As at 31 March, 2012 Rupees
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	79,425,100	79,425,100
	(b) Reserves and surplus	3	112,135,923	112,242,286
			191,561,023	196,667,386
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Deferred tax liabilities (net)	4	258,237	381,058
	(b) Other long-term liabilities	5	5,504,080	5,776,498
			5,762,317	6,157,556
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	-	-
	(b) Other current liabilities	7	20,675,705	19,047,031
	(c) Short-term provisions	8	160,652	495,225
			20,836,357	19,542,256
	<b>TOTAL</b>		<b>218,159,697</b>	<b>222,367,198</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	9	43,733,077	60,903,456
	(b) Non-current investments	10	5,288,425	5,288,425
	(c) Long-term loans and advances	11	77,880,839	5,590,944
	(d) Other non-current assets	12	230,907	572,812
			127,133,248	72,355,637
<b>2</b>	<b>Current assets</b>			
	(a) Current investments	13	16,500,000	-
	(b) Inventories	14	32,839,495	26,979,599
	(c) Trade receivables	15	214,431	132,119
	(d) Cash and cash equivalents	16	40,189,932	117,217,128
	(e) Short-term loans and advances	17	534,284	4,992,178
	(f) Other current assets	18	748,306	690,537
			91,026,448	150,011,561
	<b>TOTAL</b>		<b>218,159,697</b>	<b>222,367,198</b>
	Significant Accounting Policies	1		

See accompanying notes forming part of the financial statements

In terms of our report attached.

For ALPESH SHAH & CO.  
Chartered Accountants  
ICAI Firm Reg. No. : 128461W

For and on behalf of the Board of Directors

Proprietor  
(Alpesh Shah)  
M.N. 105463

Chairman & M.D Managing Director Director  
Vijay C. Shah Sanket V. Shah Nalini V. Shah

Place : Ahmedabad  
Date : 17/05/2013

Place : Ahmedabad  
Date : 17/05/2013



**PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rupees	Rupees
<b>1 Revenue from operations</b>	19	21,646,699	72,293,011
<b>2 Other income</b>	20	10,731,368	17,028,155
<b>3 Total revenue (1+2)</b>		<b>32,378,067</b>	<b>89,321,166</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	21	24,305,396	58,739,001
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(5,859,896)	5,040,943
(c) Employee benefits expense	23	7,253,981	9,289,582
(d) Finance costs	24	77,883	105,091
(e) Depreciation and amortisation expense		1,801,593	1,977,223
(f) Other expenses	25	6,924,899	9,184,629
<b>Total expenses</b>		<b>34,503,856</b>	<b>84,336,469</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		(2,125,789)	4,984,697
<b>6 Exceptional items</b>	26	(328,394)	8,235,635
<b>7 Profit/(Loss) before extraordinary items and tax (5±6)</b>		<b>(2,454,184)</b>	<b>13,220,332</b>
<b>8 Tax expense:</b>			
(a) Current tax		-	2,000,000
(b) Tax relating to prior years		2,775,000	241,902
(c) Deferred tax credit		(122,821)	(133,434)
<b>9 Profit / (Loss) for the year (07 ± 8)</b>		<b>(5,106,363)</b>	<b>11,111,864</b>
<b>10 Earnings per share (of Rs.10/- each):</b>			
(a) Basic		(0.64)	1.40
(b) Diluted		(0.64)	1.40
Significant Accounting Policies	1		

See accompanying notes forming part of the financial statements

In terms of our report attached.

For ALPESH SHAH & CO.  
Chartered Accountants  
ICAI Firm Reg. No. : 128461W

For and on behalf of the Board of Directors

Proprietor  
(Alpesh Shah)  
M.N. 105463

Chairman & M.D Managing Director Director  
Vijay C. Shah Sanket V. Shah Nalini V. Shah

Place : Ahmedabad  
Date : 17/05/2013

Place : Ahmedabad  
Date : 17/05/2013

Notes forming part of the financial statements

Note	Particulars
<b>1 Significant accounting policies:</b>	
<b>a Basis of accounting and preparation of financial statements</b>	<p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
<b>b Use of estimates</b>	<p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
<b>c Inventories</b>	<p>Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overhead and, where applicable, excise duty.</p>
<b>d Cash and cash equivalents (for purposes of Cash Flow Statement)</b>	<p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
<b>e Cash flow statement</b>	<p>Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
<b>f Depreciation and amortisation</b>	<p>Depreciation has been provided on the written down method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in assets costing less than Rs.5,000 each are fully depreciated in the year of capitalisation</p>
<b>g Revenue recognition</b>	
<b>i <u>Accounting of construction contracts</u></b>	<p>The company follows the percentage completion method based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of actual work done. Project revenue is recognised at the percentage of work completed to total sales consideration as per agreements to sale/ allotments executed. Project costs which are recognised in the statement of profit and loss by reference to the stage of completion of the project activity are matched with the revenue recognised resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed.</p>
<b>ii <u>Income from services</u></b>	<p>Rent from Safe vault is recognised on accrual basis</p>
<b>h Other income</b>	<p>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.</p>
<b>i Tangible fixed assets</b>	<p>Fixed assets, except land are carried at cost less accumulated depreciation and impairment losses, if any. The company capitalized all cost relating to acquisition and installation of fixed assets.</p> <p>Borrowing costs are capitalised as part of qualifying fixed assets. Other borrowing costs are expensed.</p> <p>Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under short term advances and cost of fixed assets not ready to use before such dates are disclosed under "Capital work in progress".</p>

**j Impairment of Assets**

At each Balance Sheet date, the management makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and value in use. Any impairment loss is charged to statement of profit and loss in the year in which it is identified as impaired.

**k Investments**

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost of acquisition. Provision for diminution is made when such diminution is considered other than temporary in nature. Valuation is determined on the basis of each category of investments.

**l Retirement Benefits to Employees**

The law relating to retirement benefits of employees are not followed by the company and the retirement benefits are accounted for on cash basis.

**m Taxation**

- a. Current tax is determined on the profit for the year in accordance with the provisions of the Income tax Act, 1961.
- b. Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence are recognized and carried forward only to the extent that they can be realized.

**n Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

**o Expenses relating to amalgamation**

The expense relating to amalgamation is carried as an asset and is amortised over a period of 5 years from the date of the amalgamation.

**Notes forming part of the financial statements**

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Rupees	Number of shares	Rupees
<b>Note 2 Share Capital</b>				
<b>(a) Authorised</b> 8000000 (P.Y. 8000000) Equity shares of Rs.10/- each with voting rights	8,000,000	80,000,000	8,000,000	80,000,000
<b>(b) Issued, Subscribed and fully paid up</b> 7942510 (P.Y.7942510) Equity shares of Rs.10/- each with voting rights	7,942,510	79,425,100	7,942,510	79,425,100
<b>Refer Notes (i) to (viii) below</b>		<b>79,425,100</b>		<b>79,425,100</b>

**(a) Reconciliation of number of shares**

Shares outstanding as at 1st April, 2012 / 1st April 2011	7942510	6886105
Shares outstanding as at 31st March, 2013 / 31st March, 2012	7942510	7942510

**(b) List of shareholding more than 5% of the total number of shares issued by the company:**
**Name of the shareholders**

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Vijay C Shah	1831000	23.05	1831410	23.06
Sanket Vijay Shah	1174440	14.79	1174610	14.79
Swetal Chintan Parikh	1056000	13.30	1056220	13.30
Vijay Chandulal Shah-HUF	703000	8.85	703370	8.86
Niyati Sanket Shah	600000	7.55	600220	7.56
Nalini Vijay Shah	579000	7.29	579860	7.30

The company has issued only one class of shares having a par value of Rs.10/- each. Each shareholder of equity share is entitled to one vote per share.

**Notes forming part of the financial statements**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Note 3 Reserves and surplus</b>		
(a) <b>Securities Premium Account:</b>	<b>58,125,000</b>	<b>58,125,000</b>
(b) <b>Revaluation Reserve:</b>	<b>53,778</b>	<b>53,778</b>
(c) <b>General Reserve:</b>		
Opening balance	23,246,029	23,246,029
Less : Set off towards takingover the excess of assets over liabilities as per scheme of amalgamation	-	-
Closing balance	<b>23,246,029</b>	<b>23,246,029</b>
(d) <b>Surplus / (Deficit) in Statement of Profit and Loss:</b>		
Opening balance	35,817,479	24,701,722
Add : Profit / (Loss) for the year	(5,106,363)	11,115,757
Closing balance	<b>30,711,116</b>	<b>35,817,479</b>
<b>Total</b>	<b>112,135,923</b>	<b>117,242,286</b>
<b>Note 4 Deferred Tax Liabilities (Net):</b>		
(a) Deferred Tax Liabilities		
-Depreciation on fixed assets	258,237	381,058
(Net of assets raised during the year Rs. 122821/-)		
<b>Total</b>	<b>258,237</b>	<b>381,058</b>
<b>Note 5 Other long-term liabilities :</b>		
(a) Trade Payables: (Refer Note.)	-	493,252
(b) Others:		
(i) Trade / security deposits received	5,465,244	5,257,046
(ii) Income received in advance (Locker Rent Advance)	38,836	26,200
<b>Total</b>	<b>5,504,080</b>	<b>5,776,498</b>
<b>Note 6 Short-term borrowings:</b>		
	-	-
<b>Note 7 Other current liabilities</b>		
(a) <b>Unpaid Dividends *</b>	<b>238,036</b>	<b>250,426</b>
(b) <b>Other payables:</b>		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1,505	14,235
(ii) Advances from customers	-	18,423,065
(iii) Others (specify nature)		
Advance Rent	-	208,400
Liability for Expenses	436,164	150,905
Advance received against sale of Fixed assets	20,000,000	-
<b>Total</b>	<b>20,675,705</b>	<b>19,047,031</b>
* These amount represent warrants issued to the shareholders which remained unrepresented as on 31st March 2013		
<b>Note 08 Short-term provisions</b>		
(a) <b>Provision for employee benefits:</b>		
(i) Provision for bonus	105,902	46,725
(ii) Provision for leave encashment	54,750	48,500
(b) <b>2Provision - Others:</b>		
(i) Provision for Stamp Duty-Amalgamation	-	400,000
<b>Total</b>	<b>160,652</b>	<b>495,225</b>



Notes forming part of the financial statements

Notes 9 Fixed Assets:

(Amount in Rupees)

Description of Assets	As on 01-Apr-12	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Addition	Disposals	Other Adjustments	As on 31-Mar-13	As on 01-Apr-12	For the year	Deletion	As on 31-Mar-13	As on 31-Mar-13	As on 31-Mar-12
Land(*)	53040108	242491	-	15895805	37386794	-	-	-	-	37386794	53040108
Buildings	522147	28277	-	-	550424	40129	25317	-	65446	484978	482018
Plant & Equipments	1514842	730475	713872	-	1531445	579509	203679	393815	389373	1142072	935333
Furniture & Fixtures	1832105	66100	284297	-	1613908	690883	214099	182443	722539	891369	1141222
Vehicles	9530441	-	291676	-	9238765	4377981	1330533	259370	5449144	3789621	5152460
Computers	463759	21300	234509	89850	160700	311444	27965	216952	122457	38243	152315
<b>Total</b>	<b>66,903,402</b>	<b>1,088,643</b>	<b>1,524,354</b>	<b>15,985,655</b>	<b>50,482,036</b>	<b>5,999,946</b>	<b>1,801,593</b>	<b>1,052,580</b>	<b>6,748,959</b>	<b>43,733,077</b>	<b>60,903,456</b>
Previous Year	55,335,688	47,434,052	7,938,413	27,927,925	66,903,402	5,823,349	1,977,223	1,800,626	5,999,946	60,903,456	-

Note (\*) : Some of the land being agriculture in nature was purchased in the name of directors. Recently the company has received communication to the effect that the said agriculture land would not be converted into non agriculture in foreseeable future period. There being no commercial value to the company it has been revert back to the said directors at an acquisition price and is reflected in other adjustment in above.

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Note 10 Non-current investments:</b>		
(a) Property at Prerna Shikhar	1,931,567	1,931,567
(b) Property at Doctor House	2,565,565	2,619,343
(c) Property at Prerna Viraj-2	506,293	506,293
(d) Tarrace Rights at A-1103 Prerna Shikhar	50,000	50,000
(e) Property at Cellar-Prerna Arbour	235,000	235,000
<b>Total</b>	<b>5,288,425</b>	<b>5,288,425</b>
<b>Note 11 Long-term loans and advances:</b>		
(a) Advance income tax (net of provisions 4730000/- (As at 31 March, 2011 Rs.2730000/-) - Unsecured, considered good	2,442,239	4,268,944
(b) Advance for purchase of land	75,438,600	1,322,000
<b>Total</b>	<b>77,880,839</b>	<b>5,590,944</b>
<b>Note 12 Other non-current assets:</b>		
(a) <b>Unamortised expenses:</b> Expenses relating to amalgamation	205,907	397,812
(b) <b>Deposit with :</b> VAT department	25,000	25,000
Electricity	-	150,000
<b>Total</b>	<b>230,907</b>	<b>572,812</b>
<b>Note13 Current Investment:</b>		
Units of HDFC CMF Growth Fund pending allotment	16,500,000	-
<b>Total</b>	<b>16,500,000</b>	
Market Value as as 31/03/2013	16,500,000	
<b>Note 14 Inventories:</b>		
(At lower of cost and net realisable value)		
Construction work in progress	32,839,495	26,979,599
<b>Total</b>	<b>32,839,495</b>	<b>26,979,599</b>

**Notes forming part of the financial statements**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Note 15 Trade Receivables:</b>		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment # Unsecured, considered good	46,409	39,244
(b) Other Trade receivables Unsecured, considered good	168022	92,875
<b>Total</b>	<b>214,431</b>	<b>132,119</b>
<b>Note 16 (a) Cash and cash equivalents:</b>		
(a) Cash on hand	77,910	19,039
(b) Balances with banks		
(i) In current accounts	14,873,986	1,947,663
(ii) Term deposits having remaining maturity of 3 months or less (Refer Note (i) below)	-	90,000,000
<b>Note 16 (b) Other Bank Balance:</b>		
(i) Term deposits having remaining maturity of more than 3 months but not more than 1 year (Refer Note (i) below)	25,000,000	25,000,000
(ii) In earmarked accounts - Unpaid dividend accounts	238,036	250,426
<b>Total</b>	<b>40,189,932</b>	<b>117,217,128</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	14,951,896	-
<b>Notes:</b>		
(i) Balances with banks include deposits amounting to Rs.2.50/- Crores/- (As at 31 March, 2012 Rs.2.50/-Crores) which has been kept as security against which the overdraft facility.		
<b>Note 17 Short-term loans and advances:</b>		
(a) Loans and advances to employees Unsecured, considered good	-	37,500
(b) Prepaid expenses - Unsecured, considered good	92,784	53,678
(c) Balances with government authorities Unsecured, considered good Service Tax Paid receivable	-	1,000
(d) Other Advances - Unsecured, considered good Advances for purchase of land Stamp Duty paid in Advance against sale of property	441,500	4,900,000
<b>Total</b>	<b>534,284</b>	<b>4,992,178</b>
<b>Note 18 Other current assets</b>		
(a) Amalgamation Exp to be amortised within a year:	191,905	191,905
(b) Accruals:		
(i) Interest accrued on Bank Deposits	418,305	427,500
(c) Others:		
(i) Rent receivable	138,096	17,435
(ii) Advance deposit in Credit card	-	3,697
(iii) Tender Deposit	-	50,000
<b>Total</b>	<b>748,306</b>	<b>690,537</b>

**Notes forming part of the financial statements**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Note 19 Revenue from operations:</b>		
(a) Sale of Plots (Refer Note (i) below):	20,192,065	71,151,872
(b) Sale of services (Refer Note (ii) below)	1,454,634	1,141,139
<b>Total</b>	<b>21,646,699</b>	<b>72,293,011</b>
<b>Note:</b>		
(i) Sale of plots comprises: Manufactured goods Plots at Prerna Aura Site.	20,192,065	71,151,872
<b>Total - Sale of manufactured goods</b>	<b>20,192,065</b>	<b>71,151,872</b>
(ii) Sale of services comprises : Rental income from Lockers	1,454,634	1,141,139
<b>Total - Sale of services</b>	<b>1,454,634</b>	<b>1,141,139</b>
<b>Note 20 Other income</b>		
(a) Interest income (Refer Note (i) below):	3,995,362	10,481,992
(b) Dividend income:	-	-
(c) Net gain on sale of: Current investments: Short Term Investment in Share & M.Fund without STT	2,917,128	2,968,277
<b>Total</b>	<b>6,912,490</b>	<b>13,450,269</b>
Note (i) Interest income comprises: Interest from banks on:		
- Fixed Deposits	3,995,362	10,148,174
- Saving Deposits	-	333,818
Fixed Deposits from Companies		
<b>Total - Interest income</b>	<b>3,995,362</b>	<b>10,481,992</b>
(d) Other non-operating income comprises:		
Rental income from investment properties	3,687,495	1,337,306
Liabilities / provisions no longer required written back	15,646	1,441,075
Miscellaneous income	96,485	34,409
Service charges received	19,252	765,096
<b>Total - Other non-operating income</b>	<b>3,818,878</b>	<b>3,577,886</b>
<b>Total - Other income (a+b+c+d)</b>	<b>10,731,368</b>	<b>17,028,155</b>

**Notes forming part of the financial statements**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Note 21 Cost of materials consumed:</b>		
<b>Opening Stock:</b>	-	-
Add: Purchases	24,305,396	58,739,001
Less: Closing stock	-	-
<b>Cost of material consumed</b>	<b>24,305,396</b>	<b>58,739,001</b>
Material consumed comprises:		
Prerna Aura Land	7,767	27,927,925
Prerna Aura Material	2,533,210	3,740,328
Prerna Aura Works	19,297,867	25,441,456
Prerna Aura Landscaping	1,077,971	1,019,360
Prerna Aura Others	1,388,581	609,932
<b>Total</b>	<b>24,305,396</b>	<b>58,739,001</b>
<b>Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade:</b>		
<b>Inventories at the end of the year:</b>		
Work-in-progress	32,839,495	26,979,599
	32,839,495	26,979,599
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	26,979,599	32,020,542
	26,979,599	32,020,542
<b>Net (increase) / decrease</b>	<b>(5,859,896)</b>	<b>5,040,943</b>
<b>Note 23 Employee benefits expense</b>		
Salaries and wages	4,261,873	5,507,479
Bonus	105,902	46,725
Directors Remuneration	2,700,000	3,690,000
Staff welfare expenses	186,206	45,377
<b>Total</b>	<b>7,253,981</b>	<b>9,289,582</b>
<b>Note 24 Finance costs</b>		
<b>(a) Interest expense on FD Overdraft.</b>		
(i) Overdraft	58,799	94,780
(ii) Others		
- Interest on delayed payment of income tax	1,608	2,451
- Intetrest on Service Tax	17,476	7,860
<b>Total</b>	<b>77,883</b>	<b>105,091</b>

**Notes forming part of the financial statements**

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rupees	Rupees
<b>Note 25 Other expenses</b>		
Power and fuel	1328190	1059668
Repairs and maintenance - Others	262135	226064
Maintenance Charge	637748	148624
Insurance	135482	229443
Rates and taxes	648800	532631
Telephone	182783	169347
Travelling and conveyance *		
Foreign Travelling	-	1321240
Other Travelling	115308	125911
Office Expenses	358258	347706
Printing and stationery	47277	592124
Advertisement Exps.	186322	164148
Brokerage on Sale of Plots	1200000	742000
Security Expenses	-	303150
Business promotion	728672	175916
Legal and professional	497863	299004
Amalgamation Exps.W/o.	191905	191905
Membership Fees	14381	1667082
Miscellaneous expenses	99470	188801
Auditors Remuneration		
- statutory audit	168540	140450
- taxation matters	39326	159416
Stamp Duty Exps-Amalgation	-	400000
Donation Exps.	21000	-
Listing Fees	61438	-
<b>Total</b>	<b>6924899</b>	<b>9184629</b>
<b>Note 26 Exceptional items</b>		
Profit/(Loss) on sale of fixed assets	(328394)	8235635
<b>Total</b>	<b>(328,394)</b>	<b>8,235,635</b>

**Notes forming part of the financial statements**  
**Additional information to the financial statements**

<b>Note 27</b>	Note (*) : Some of the land being agriculture in nature was purchased in the name of directors. Recently the company has received communication to the effect that the said agriculture land would not be converted into non agriculture in foreseeable future period. There being no commercial value to the company it has been revert back to the said directors at an acquisition price and is reflected in other adjustment in above.		
	Particulars	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>Note 28</b>	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
(a)	Order of the Superintendent of Stamps, Gandhinagar is received by the company regarding stamp duty payable on amalgamation and transfer of ownership, which the company has not agreed to and want to challenge. Total Amount as per order Rs.1331015/-. Company has provided Rs.400000/-.	931,015.00	931,015.00
(b)	Company has received the demand notice for Asst Yr 2009-10 for Rs.449790/- against which company has paid Rs.225000/- and for balance company has filed an appeal with CIT (A).	224,790.00	224,790.00
(c)	Company has received the bill of Rs.1168852/- from Uttar Gujarat Vij Company Ltd. towards use of electricity at site of Prerna Aura, Andej, Ta: Sanad, Dist:Ahmedabad Company has went into appeal after paying Rs.350655/-	818,197.00	818,197.00

**Note 29 Additional information pursuant to the provisions of Schedule VI to the companies Act 1956**

	<b>Particulars</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
<b>a</b>	<b>Value of imports calculated on CIF basis:</b>	<b>Rupees</b>	<b>Rupees</b>
	Raw materials, Components, Spare parts	<b>NIL</b>	<b>NIL</b>
	<b>Particulars</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
<b>b</b>	<b>Expenditure in foreign currency:</b>	<b>Rupees</b>	<b>Rupees</b>
	Since expenditure involves foreign currency but the original payment by the Company itself is in Rupees, no disclosure is made.	<b>NIL</b>	<b>NIL</b>
	<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	
<b>c</b>	<b>Details of consumption of imported and indigenous items *</b>	<b>Rupees</b>	<b>%</b>
	Raw materials	-	-
	Imported	-	-
	Indigenous	-	-
	<b>Particulars</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
<b>d</b>	<b>Earning in foreign currencies (on accrual basis)</b>	<b>Rupees</b>	<b>Rupees</b>
		<b>NIL</b>	<b>NIL</b>
<b>Note 30 Disclosures under Accounting Standards 7 (Revised)</b>			
	<b>Particulars</b>	<b>As at 31 March, 2013</b>	<b>As at 31 March, 2012</b>
	<b>Details of contract revenue and costs</b>	<b>Rupees</b>	<b>Rupees</b>
a	Contract Revenue	20192065	71151872
b	Contract cost incurred	18445500	63779944
c	Recognised profit and losses	1746565	7371927
d	Advance received	-	18423065
e	Retention money	-	-
f	Gross amount due from Customers for contract work	-	-
g	Gross amount due to Customers for contract work	-	-

**Notes forming part of the financial statements contd**
**Note 31: Segment Reporting:**

Company has been carrying out construction activity and providing services of safe deposit vault. Since the business segment of safe deposit vault does not meet the basis criteria of treating the same as reportable segment, the management has decided to prepare the consolidated financial statement.

**Note 32(A): Related party transactions**
**Details of related parties:**

Description of relationship	Names of related parties
Key Management Personal-Chairman	Vijay C Shah
Key Management Personal-Managing Director	Sanket Vijay Shah
Key Management Personal-Whole Time Director	Nalini V. Shah
Key Management Personal-Finance Head	Swetal V Shah
Spouse of Managing Director	Niyati Sanket Shah

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:**

	KMP	Relatives of KMP	Total
<b>Managerial Remuneration:</b>			
Vijay C Shah	900000		900000
Sanket V Shah	900000		900000
Nalini V Shah	900000		900000
Swetal V Shah	900000		900000
Niyati Sanket Shah	-	900000	900000
Brokearge paid to Swetal V Shah	637500		637500
<b>Acceptance of loan:</b>			
Sanket V Shah	8725000		8725000
<b>Repayment of Loan</b>			
Sanket V Shah	8725000		8725000
<b>Balances outstanding at the end of the year</b>			
Loans and advances			
Sanket V Shah	NIL	NIL	NIL

**Note 32(B): Computation of Net Profit as per Section 349 read with section 198 of the Companies Act, 1956 with respect to Director's Remuneration is as under**

Particulars	2012-13 Rs.	2011-12 Rs.
Profit before taxation, as per profit & loss Account	(2454184)	132242
Add:		
Director's remuneration	2700000	3690000
Deprication as per books	1801593	1977223
Loss on sale of Share investment	358480	-
	<b>2405889</b>	<b>18891448</b>
Less:		
Profit on sale of Fixed Assets	30086	8235635
Profit on sale of Share Investment	2968277	2968277
Depreciation as per Section 350	1801593	1977223
Profit under Section 349 of the Companies Act, 1956	<b>(2342918)</b>	<b>5710313</b>
B. managerial remuneration		
(I) Managing and whole time director		
(i) Salary	2700000	3190000
(ii) Bonus	-	500000
<b>Total</b>	<b>2700000</b>	<b>3690000</b>

**Notes forming part of the financial statements contd**

Note 33	<b>Earnings Per Share</b> Net Profit after tax for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic & diluted earning per share		
	Particulars	As at 31 March, 2013	As at 31 March, 2012
		Rupees	Rupees
	Face Value Per Share	10	10
	Net Profit after Tax	(5106363)	11115757
	Weighted average Number of Shares	7925410	7925410
	Basic and Diluted Earnings per Share	(0.64)	1.40
Note 34	<b>Micro, Small and Medium Enterprises Development Act, 2006</b>		
	In accordance with the Notification No. GSR 719 ( E ) dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosures have been made in the accounts.		

<b>Note 34</b>	<b>Micro, Small and Medium Enterprises Development Act, 2006</b>  In accordance with the Notification No. GSR 719 ( E ) dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosures have been made in the accounts.
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In terms of our report attached.

For ALPESH SHAH & CO.  
Chartered Accountants  
ICAI Firm Reg. No. : 128461W

For and on behalf of the Board of Directors

Proprietor  
(Alpesh Shah)  
M.N. 105463

Chairman & M.D	Managing Director	Director
Vijay C. Shah	Sanket V. Shah	Nalini V. Shah

Place : Ahmedabad  
Date : 17/05/2013

Place : Ahmedabad  
Date : 17/05/2013



## 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 appoint ..... of  
..... as my/our proxy or failing him  
her..... of  
..... as my proxy to vote for me /us on my /our behalf at  
the 25<sup>th</sup> Annual General Meeting of the company to be held on Thursday, 26<sup>th</sup> September, 2013 at 10.00 a.m. at "Prerna",  
Survey No.820/1, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058 and at  
any adjournment thereof.

Signed this ..... day of ..... 2013

**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, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Makarba, 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, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058

## ATTENDANCE SLIP

## 25th 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 25<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 26<sup>th</sup> September, 2013 at 10.00 a.m. at "Prerna", Survey No.820/1, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Makarba, 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, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380 058.







Prerna Infrabuild Ltd.