

26TH ANNUAL REPORT 2013-14



Defining Quality



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 (DIN NO. 00038062)
Managing Director	Sanket V. Shah (DIN NO. 00038121)
Wholetime Director	Nalini V. Shah (DIN NO. 00119538)
Director	Mahendra K. Gosaliya (DIN NO. 02279850)
Director	Dinesh Kamdar (DIN NO. 02734137)
Director	Kiranbhai Shah (DIN NO. 02725833)

Audit Committee

Chairman	Kiranbhai Shah (DIN NO. 02725833)
Member	Dinesh Kamdar (DIN NO. 02734137)
Member	Mahendra K. Gosaliya (DIN NO. 02279850)

Auditor

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

Practising Company Secretary

Pinakin Shah & Co.
(PCS NO. 2562)
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.pernagroup.com

Banker

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

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held at 'PRERNA', Survey No 820/1, in lane of Panchvati Auto, Opp.AnandDhamDerasar, S. G. Road, Makarba, Ahmedabad-380058 on Friday, 26th September, 2014 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of ShriVijay C. Shah [DIN 00038062] who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution
"RESOLVED THAT M/s. Alpesh Shah & Co., Chartered Accountants, Ahmedabad [Firm Registration No: 128461W] be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting of the Company until the conclusion of the 27th Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

4. Appointment of Shri Mahendra Gosaliya as an Independent Director
To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri Mahendra Gosaliya (DIN 02279850), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26/09/2014 up to 25/09/2019."
5. Appointment of Shri Dinesh Kamdar as an Independent Director
To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri Dinesh Kamdar (DIN 02734137), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26/09/2014 up to 25/09/2019."
6. Appointment of Shri Kiran Shah as an Independent Director
To consider and, if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri Kiran Shah (DIN 02725833), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26/09/2014 up to 25/09/2019."

Place: Ahmedabad

By order of the Board of Directors

Date: 28/07/2014

Shri Sanket Shah
Managing Director

Registered Office:
'PRERNA', Survey No 820/1
In lane of Panchvati Auto
Opp.AnandDhamDerasar
S. G. Road, Makarba
Ahmedabad-380058

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 19th September, 2014, to Friday, 26th September, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of up to five consecutive years and are not liable to retire by rotation. Accordingly, resolutions proposing appointment of Independent Directors are given at item nos. 4 to 6.
5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
6. The Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of Annual General Meeting, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s).
7. Members who have received the Notice of Annual General Meeting, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the Annual General Meeting.
8. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 19th September, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 9.00 a.m. on 20th September, 2014 and will end at 5.00 p.m. on 22nd September, 2014. The Company has appointed M/s Pinakin Shah & Co, Ahmedabad, Practicing Company Secretary [FCS 2562] to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.
 - I. In case of members receiving e-mail from CDSL (for Members whose e-mail addresses are registered with Company/ Depositories):
 - i. Log on to the e-voting website www.evotingindia.com
 - ii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - iii. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <p>1. Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.-</p> <p>2. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
	Please enter the DOBIN order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
 - viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - x. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- II. In case of members receiving the physical copy:
- Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- III. Other Instructions:
- The e-voting period commences at 9.00 a.m. on 20th September, 2014 and will end at 5.00 p.m. on 22nd September, 2014. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Friday, 19th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 31st March, 2014.
 - Mr. PinakinShah, Practicing Company Secretary (FCS 2562), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
 - The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.pernagroup.com and on the website of CDSL www.evotingindia.co.in within two days of the passing of the resolutions at the Twenty Sixth Annual General Meeting of the Company on 26th September, 2014 and communicated to the BSE Limited, where the shares of the Company are listed.
 - The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the Annual General Meeting.
 - Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant (s), with whom they maintain their Demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
 - Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Bigshare Services Private Limited/Investor Service Department of the Company immediately.
 - The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Bigshare Services Private Limited/Investor Service Department of the Company.
 - Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
 - Details of the Directors seeking appointment in the Twenty Sixth Annual General Meeting [Pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange]

Particulars	Shri Vijay C. Shah	Shri Mahendra Gosaliya	Shri Dinesh Kamdar	Shri Kiran Shah
Relationships with other Directors	Father	None	None	None
Date of Appointment	13/04/1988	08/08/2003	12/08/2006	12/08/2006
Expertise	Finance	Technical	Technical	Architect
Qualification	B.Com	Mechanical Engineer	Diploma in Mechanical Engineering	Architect B.E. Civil
No. of Equity Shares held in the Company	1831000	100	100	3000
List of other companies in which directorship are held	Non	None	None	None
Chairmanship/ Membership of committees (includes only Audit Committee and Shareholders Grievances Committee)	None	Audit Committee and Remuneration Committee	Audit Committee and Remuneration Committee	Chairman-Audit Committee Chairman-Remuneration Committee

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

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

Item No. 4 to 6

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every Annual General Meeting. Every listed public company is required to have at least one-third of the total number of directors as independent directors.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Mahendra Gosaliya (DIN 02279850) and Shri Dineshbhai Vadilal Kamdar (DIN 02734137) and Shri Kiran Hiralal Shah (DIN 02725833), being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. They are all non-executive directors of the Company and have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment and they are independent of the management. The Nominations & Remuneration Committee has recommended their reappointment as Independent Directors from 26th September, 2014 up to 25th September, 2019. A brief profile of proposed Independent Directors, including nature of

their expertise, is provided in this Annual Report. Notices have been received from members proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board, **Shri Mahendra Gosaliya** (DIN 02279850) and **Shri Dineshbhai Kamdar** (DIN 02734137) and **Shri Kiran Shah** (DIN 02725833) fulfill the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company www.prernagroup.com.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, is concerned or interested, financially or otherwise, in these resolutions.

The Board commends the resolution at Item No. 4 to 6 for approval by the members.

Place: Ahmedabad

Date: 28/07/2014

By Order of the Board of Directors

ShriSanket Shah
Managing Director

Registered Office:
'PRERNA', Survey No 820/1
In lane of Panchvati Auto
Opp.AnandDhamDerasar
S. G. Road, Makarba
Ahmedabad-380058

DIRECTORS REPORT

**To,
The Members**

Your Directors are pleased to present the Twenty Sixth Annual Report and the Audited Accounts for the financial year ended March 31, 2014.

Summary of the Financial Results

[Rs. In Lacs]

Particulars	2013-2014	2012-2013
Gross Income	64.56	216.46
Depreciation	13.97	18.01
Profit/Loss after Depreciation	(351.39)	(21.25)
Tax- Current	(16.00)	0.00
Deferred	(0.44)	(1.22)
Profit/loss after tax	65.45	(51.06)

Financial Performance

Net Revenue from operations for the year ended March 31, 2014 was Rs 164.24lacs representing a decrease of 49.27 per cent over the previous year.

Profit before tax for the year was at Rs. 81.01lacs representing an increase of 430.11 per cent over the previous year.

Appropriations

Dividend

The Company has not recommended 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.

Listing of Shares

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

Management Discussion and Analysis

Management Discussion and Analysis has been reviewed by the Audit Committee and the same forms a part of the Annual Report.

Corporate Governance

The Company is committed to good corporate governance in line with the Listing Agreement. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with the Bombay Stock Exchange Limited.

A certificate of compliance from M/s Pinakin Shah & Co., Ahmedabad [FCS: 2562], a practicing Company Secretary and the report on Corporate Governance form part of this Directors' Report.

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 to in words and spirit. The compliance on declaration of code of Conduct signed by Chairman and Managing Director of the Company is included as a part of this Annual Report.

Directors

Shri Vijay C. Shah (DIN 00038062) retires at the 26th Annual General Meeting and has offered himself for re-appointment. It is also proposed to appoint Shri Mahendra Gosaliya (DIN 02279850) and Shri Dinesh Kamdar (DIN 02734137) and Shri Kiran Shah (DIN 02725833) as Independent Directors of the Company for a term up to five years, at the forthcoming Annual General Meeting.

Necessary Resolutions for the appointment of the aforesaid Directors have been included in the Notice convening the ensuing Annual General Meeting and details of the proposals for appointment of Independent Directors are mentioned in the explanatory statement to the Notice.

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

Personnel

The Industrial Relations scenario continued to be cordial. The Company regards its employees as a great asset and accords high priority to training and development of employees.

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and Companies (Particulars of Employees) Amendment Rules, 2011 is nil.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- b) Appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended March 31, 2014;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis.

Cash Flow

A Cash Flow statement for the year ended on 31st March, 2014 is attached to the Balance Sheet.

Auditors

M/s. Alpesh Shah & Co., Chartered Accountants, Ahmedabad [Firm Registration No: 128461W] were appointed as the statutory auditors of the Company for financial year 2013-14 at the 25th Annual General Meeting of the Company held on 26/09/2013. M/s. Alpesh Shah & Co., Chartered Accountants, Ahmedabad [Firm Registration No: 128461W] have been the Auditors of the Company since 2009-10 and have completed a term of 5 years. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an auditor as auditor for more than two terms of five consecutive years and has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s. Alpesh Shah & Co., Chartered Accountants, Ahmedabad [Firm Registration No: 128461W], being eligible for re-appointment, offer themselves for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors propose their reappointment as the statutory auditors of the Company. However they will be eligible for reappointment for a maximum period of five years to hold office from the conclusion of this Annual General Meeting.

Fixed Deposits

No fixed deposits were accepted from the public during the year.

Insurance

The Company's assets are adequately insured against major risks

Acknowledgement

The Board appreciates and places on record the contribution made by employees to the sustained satisfactory business performance during the period under review. The Board also places on record their appreciation of the support of all stakeholders particularly shareholders, customers, suppliers and business partners, all of whom have contributed to the Company's success.

Place: Ahmedabad

Date: 28/07/2014

On behalf of the Board of Directors

Shri Vijay C. Shah

Chairman & Managing Director

Registered Office:

'PRERNA', Survey No 820/1, In lane of Panchvati Auto

Opp. Anand Dham Derasar, S. G. Road, Makarba, Ahmedabad-380058

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure

The year 2013 was a drag for the Indian economy with poor macroeconomic conditions. Slowing income growth, sustained weakness in the rupee, sky-rocketing inflation and high borrowing rates combined to make consumers wary of spending. This reflected visibly in the Indian consumer confidence index, which has been falling consistently over the last three quarters. Despite this, residential property prices continued to exhibit upward movement even as the weakening rupee steadily eroded purchasing power. The presently cautious market sentiment is likely to continue at least until the close of 2014.

In terms of real estate sector, Ahmedabad has grown tremendously over the past decade except a slight fall in the beginning of this calendar year. The city has provided handsome returns on the real estate front during this time. Urbanization, backed by commercial development, has been the vital factor for growth of Ahmedabad real estate sector. Such urbanization has increased housing demand of the city which resulted in bullish trend of real estate sector.

Policy Updates

Because of industrial stimulant government policies like investment friendly nature, quick licensing, single window clearance etc., Ahmedabad is considered as one of the most exciting industrial destinations of India. Besides, these all favorable factors have placed it amongst top few tier-II cities which have high growth prospects. Due to such developmental prospects Ahmedabad has been ranked the seventh highest in Market Potential Value (MPV) among all the 784 cities in India.

Opportunities

With the formation of investment friendly government, Ahmedabad is likely to show even better value appreciation in future. Due to high expectation of progressive announcement pertaining to [FDI in real estate](#) market, global investors are once again enthusiastically eyeing the [Indian market](#) for the immense opportunities it offers. In such scenario Ahmedabad will witness even more upward trend in terms of real estate.

Threat

India's real estate market has been faltering for quite some time as the country's economy remains under stress. According to data from various sources, property prices have seen a correction recently. In the April-June quarter, house prices fell in 22 out of 26 cities tracked by the National Housing Bank's Residex (residential index) compared with the January-March quarter. The primary reasons for the slowdown are strict monetary regulations due to high inflation.

Financial Performance

Net Revenue from operations for the year ended March 31, 2014 was Rs 164.24lacs representing a decrease of 49.27 per cent over the previous year.

Profit before tax for the year was at Rs. 81.01 lacs representing an increase of 430.11 per cent over the previous year.

Internal Control Systems & Their Adequacy

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

The internal audit department together with a firm of Chartered Accountants reviews the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. The Audit Committee approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an ongoing basis and significant deviations are brought to the notice of the Audit Committee of the Board following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps with no monetary loss.

Cautionary Note

The statements forming part of the Directors' Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

Place: Ahmedabad
Date: 28/07/2014

For and on behalf of Board of Directors

Shri Vijay C. Shah
Chairman & Managing Director

Registered Office:
'PRERNA', Survey No 820/1
In lane of Panchvati Auto
Opp. Anand Dham Derasar
S. G. Road, Makarba
Ahmedabad-380058

CORPORATE GOVERNANCE

(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.

1. Company's Philosophy & Code of Governance

Your Company's corporate governance policy is directed towards adherence to ethical business Practices. The Company believes in conducting its affairs in a fair, transparent and professional manner and maintaining the good ethical standards in its dealing with all its constituents. Codes of conduct, adopted by the directors and Key Managerial Personnel, are posted on the website of the Company (www.prenagroup.com).

All board members and Key Managerial Personnel have affirmed compliance with the respective codes of conduct for the year ended March 31, 2014. In terms of Clause 49 (I) (D) of the Listing Agreement, the Chief Executive Officer i.e. 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 Whole Time 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 the Board of Directors

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board of the Company is composed of individuals from diverse fields. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company.

The Board of the Company is composed of Executive and Non-Executive Directors. As on March 31, 2014, the strength of the Board was six Directors comprising of three Executive and three Non-Executive and Independent Directors.

Details of Directors as on March 31, 2014 and their attendance at the Board meetings and Annual General Meeting during the financial year ended March 31, 2014 are given below:

Directors	Category	Attendance Particulars		Other Director ships	Other Committee Membership	
		No. of Board Meeting	Last Annual General Meeting		Member	Chairman
Shri Vijay C Shah	CM& MD	4	Yes	1	Nil	Nil
Shri Nalini V Shah	WTD	4	Yes	Nil	Nil	Nil
Shri Sanket V Shah	MD	4	Yes	1	Nil	Nil
Shri Kiran Shah	NEI	4	Yes	Nil	Nil	Nil
Shri Dinesh Kamdar	NEI	4	Yes	Nil	Nil	Nil
Shri Mahendra Gosaliya	NEI	4	Yes	Nil	Nil	Nil

CM-Chairman, MD- Managing Director, WTD- Whole Time Director,
NEI- Non- Executive and Independent Director

Board Meetings

The Company held one Board Meeting in each quarter as required under the Companies Act, 1956 ("the Act") and the gap between two Board meetings was in compliance with the provisions contained in the Listing Agreement.

The Board/Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedules and to ensure their meaningful participation in the meetings. During the financial year under review, four Board meetings were held on 17/05/2013, 25/07/2013, 24/10/2013 and 30/01/2014.

3. Audit Committee

The role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Act.

The terms of reference for the Audit Committee include:

- Meeting and reviewing with External and Internal Auditors, reviewing of the Internal Control Systems and ensuring their compliance.
- Investigation of matters referred to it by the Board or as specified.
- Review of matters as required under the terms of the Listing Agreement.
- Access information contained in the records of the Company.
- Refer to external professionals for advice, if necessary.

Compliance Officer acts as Secretary to the Committee.

The Chairman and Managing Director, Chief Financial Officer, Internal Auditor, Statutory Auditors and Cost Auditor are the invitees to the Audit Committee meetings. During the period under review, the Audit Committee met four times on 17/05/2013, 25/07/2013, 24/10/2013 and 30/01/2014 and was attended by all members.

Constitution of the Audit Committee and attendance details during the financial year ended March 31, 2014 are given below:

Name	Designation	Attendance
Shri Kiran Shah	Chairman	4
Shri Mahendra Gosaliya	Member	4
Shri Dinesh Kamdar	Member	4

4. Remuneration Committee

The terms of reference for the Remuneration Committee include:

- Review the criteria of payment of Managerial remuneration.
- Review Managerial remuneration and recommend revision in the remuneration to the Board.

Constitution of the Remuneration Committee and attendance details during the financial year ended March 31, 2014 are given below:

Name	Position	Category
Shri Kiran Shah	Chairman	Non- Executive Independent Director
Shri Mahendra Gosaliya	Member	Non- Executive Independent Director
Shri Dinesh Kamdar	Member	Non- Executive Independent Director

Remuneration to Directors

The Chairman, Managing Directors and Whole Time Director get salary including perquisites. Salary payable for the year ended 31st March, 2014 was Rs. 3000000/- as per the policies of the Company. The criteria for making payments to the Chairman and Managing Director are:

- Salary, as recommended by the Remuneration Committee and approved by the Board and the shareholders of the Company. Perquisites, retirement benefits and performance pay are also paid/provided in accordance with the Company's compensation policies, as applicable to all employees and the relevant legal provisions.
- Remuneration paid to the Chairman and Managing Director is determined keeping in view the industry benchmarks. Remuneration of the Chairman and Managing Director is within the limits approved by the Board and the shareholders at the Annual General Meeting of the Company.

The sitting fees paid to the Non- Executive Directors is given below:

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

5. **Shareholders/ Investor's Grievances Committee**

The Investors' Grievances Committee comprises of two directors, namely Shri Dinesh Kamdar, Chairman and Shri Sanket Shah. Meetings of the Investors' Grievances Committee were also attended by the head of Investors' Services Department. The Committee oversees functioning of the Investors' Services Department covering all facts of the operations including transfer of shares in physical form, dematerialization of shares, non-receipt of balance sheet and activities related to dividend and depository operations. The Committee also closely monitors investor grievance redressal system of the department. The Committee overseas the performance of the Registrar & Transfer Agents & recommends measures for overall improvement in the quality of investor services.

Details of the Investors' Grievances Committee Meetings

It met three times during the year. Your Company received nil complaints from shareholders during the year. As on March 31, 2014, no complaints remained pending/ un-attended and no share transfers and dematerialization requests 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/ D-mat of equity shares as submitted by BigshareServicesPrivate Limited, the Registrar & Transfer Agent of the Company.

It met two times during the year to approve transfer/ transmission/ demat of equity shares. It transferred 1700 equity shares submitted through physical transfer deed.

6. **Special Resolutions passed at the last 3 Annual General Meetings:**

Year	Venue Of Annual General Meeting	Day, Date & Time	Number of Special Resolutions passed
2010-11	'PRERNA', Survey No 820/1, In lane of Panchvati Auto, Opp. AnandDhamDerasar S. G. Road, Makarba, Ahmedabad-380058.	Tuesday, 27/09/2011 at 10.00 a.m.	2
2011-12	'PRERNA', Survey No 820/1, In lane of Panchvati Auto, Opp. AnandDhamDerasar S. G. Road, Makarba, Ahmedabad-380058.	Thursday, 27/09/2012 at 10.00 a.m.	NIL
2012-13	'PRERNA', Survey No 820/1, In lane of Panchvati Auto, Opp. AnandDhamDerasar S. G. Road, Makarba, Ahmedabad-380058.	Thursday, 26/09/2013 at 10.00 a.m.	NIL

No business was required to be transacted through postal ballot at the above meetings.

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 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 were submitted to the Stock Exchanges immediately after the Board approves them. Thereafter, the same were published in The Economic Times (English and Gujarati). Disclosures pursuant to various clauses of the Listing Agreement were promptly communicated to the Stock Exchanges. No formal presentation was made to the institutional investors or to the analysts during the year under review of Management Discussion and Analysis forms Part of the Annual Report, which is sent to the Shareholders of the Company.

9. General Shareholder Information

a. Exclusive e-mail id for investor grievances

Pursuant to Clause 47 (f) of the Listing Agreement, the following e-mail id has been exclusively designated for communicating Investor Grievances: investor@prenagroup.com
Person in-charge of the Department: Ms. Swetal Shah

b. Annual General Meeting

The 26th Annual General Meeting will be held on 26th Day of September, 2014, at 10:00 a.m. at 'PRERNA', Survey No 820/1, in lane of Panchvati Auto, Opp. AnandDhamDerasar, S. G. Road, Makarba, Ahmedabad-380058

c. Financial Calendar

First quarter results:	July 2014
Second quarter results:	October 2014
Third quarter results:	January 2015
Annual results:	April/May 2015
Annual General Meeting:	August/September 2015

d. Book Closure

The Register of Members and the Share Transfer Register will be closed from 19th September, 2014 to 26th September, 2014, (both days inclusive).

e. Dividend Payment Date

Not applicable

f. Shares Listed At

The equity shares of the Company are listed at:
Bombay Stock Exchange Limited (BSE)
PhirozeJeejeebhoy Towers, Dalal Street, Mumbai Samachar Marg, Mumbai- 400001.
Annual Listing fees for the year 2014-15 have been paid to the stock exchange. The Company has also paid the Annual Custodial fees to both the depositories.

g. Stock Codes

The stock code of the Company is 531802.

h. 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 INE426H01014.

i. Corporate Identity Number (CIN)

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

j. High/Low of monthly Market Price of the Company's Equity Shares Traded on the Mumbai Stock Exchanges during the financial year 2013-14 is furnished below:

	Bombay Stock Exchanges (BSE)	
	(In Rs. Per share)	
	Month's High Price	Month's Low Price
April, 2013	14.5	11.85
May, 2013	13.26	10.47
June, 2013	12.22	10
July, 2013	12.33	11.34
August, 2013	12.51	11.80
September, 2013	13	11.12
October, 2013	13.5	11.12
November, 2013	14.17	11
December, 2013	10.46	9.45
January, 2014	12.57	9.93
February, 2014	12	12
March, 2014	14.5	12

k. Evolution Of Capital

Particulars of Equity shares issued by the Company

Year of issue	Allotment of shares	Total issued capital at the end of financial year
1995	1380000	1380000
1996	1330000	2710000
1996	3362600	6072600
2011	1869910	7942510

l. Share Transfer System

Company's shares in dematerialised 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 Share Transfer 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/ rematerialisation 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.

m. Distribution Of Shareholding (As On March 31, 2014)

On the basis of Share held

No of equity Shares held	No of Shares Holder (Physical)	% of Total	Share amount	% of Total
1-5000	1561	84.2418	4100240	5.1624
5001 - 10000	100	5.3967	844220	1.0629
10001- 20000	67	3.6158	1001010	1.2603
20001- 30000	33	1.7809	830730	1.0459
30001- 40000	16	0.8635	565120	0.7115
40001- 50000	13	0.7016	592910	0.7465
50001 -100000	24	1.2952	1704010	2.1454
100001-9999999999	39	2.1047	69786860	87.8650

On the basis of Category

Category	No of Shares Held	% to Total Shares Held
Individual	1861353	23.43
Corporate Bodies	122046	1.54
Promoters	5943440	74.83
Non- resident Indians	15671	0.20
TOTAL	7942510	100.00

n. Dematerialization 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 dematerialization. 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 3100 equity shares. As on March 31, 2014, 93.93% of the total shares issued by the Company were held in dematerialised form.

- Liquidity: The Company's Shares are liquid on BSE.

o. 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 website for easy access to the employees and is updated from time to time.

p. **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 CDSL, NSDL 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.

q. **Outstanding GDRs/ADRs/Warrants or any convertible instrument as on 31st March-14**

There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2014.

r. **Plant Location**

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

s. **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. AnandDhamDerasar S. G. Road, Makarba, Ahmedabad-380058.
E-mail: www.pernagroup.com
- b. Bigshare Services Pvt. Ltd.
E- 2 & 3, Ansa Industrial Estate, Saki Vihar Road, SakinakaAndheri (E), Mumbai 400072
E-mail: marketing@bigshareonline.com

AUDITORS CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

I have examined compliance by Prerna Infra build Limited (the Company) with the requirements under Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange for the year ended on March 31, 2014.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under Clause 49. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the corporate governance report of the Company.

I state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Investor Grievance Committee.

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

Place: Ahmedabad

Date: 28/07/2014

Pinakin Shah & Co.,

Practicing Company Secretary

FCS 2562, C.P No 2932

DECLARATION ON ADHERENCE TO THE CODE OF CONDUCT UNDER CLAUSE 49 I D (II) OF THE LISTING AGREEMENT

All the Board members and senior management personnel of the Company have confirmed adherence to the Code of Conduct of Prerna Infrabuild Limited for the financial year ended March 31, 2014.

Place: Ahmedabad

Date: 28/07/2014

For and on behalf of the Board of Directors

Shri Vijay C. Shah

Chairman & Managing Director

Registered Office:

'PRERNA', Survey No 820/1

In lane of Panchvati Auto

Opp. Anand Dham Derasar

S. G. Road, Makarba

Ahmedabad-380058

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Shri Vijay C. Shah, Chairman and 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, 2014, 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

Vijay Shah (CEO)

Ahmedabad, 28/07/2014

For Prerna Infrabuild Limited

Sanket Shah (CFO)

Ahmedabad, 28/07/2014

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 31st March 2014 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 2014 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 31st March 2014 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: 28/07/2014

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 one shareholders of Rs.87.25 Lacs and repaid it. 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 one shareholder of Rs. 86.25 lacs. Subject to above company has not accepted any deposits from the public.
7. Company have no 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:
 - a. 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.
 - b. According to the information and explanations given to us, no undisputed amounts is payable which is outstanding as at 31st March 2014 for a period of more than six months from the date of becoming payable except following:
 - c. As per explanation given to us no undisputed 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 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: 28/07/2014**

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31 March, 2014 Rupees	For the year ended 31 March, 2013 Rupees
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	8101355	(2454184)
<u>Adjustments for:</u>		
Depreciation and amortisation	1397853	1801592
(Profit) / loss on sale / write off of assets	(43240683)	328394
Finance costs	1285	58799
Interest income	(5268192)	3995362
Net (gain) / loss on sale of investments	(1076005)	(2917128)
Rental income from investment properties	(3598801)	(3687495)
Operating profit / (loss) before working capital changes	(43683188)	(1086538)
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	32839495	(5859896)
Trade receivables	214431	(82312)
Short-term loans and advances	446639	4457894
Long-term loans and advances	71379852	(75064895)
Other current assets	(119126)	(57769)
Other non-current assets	191905	341905
Adjustments for increase / (decrease) in operating liabilities:		
Other current liabilities except unpaid dividend	(19665070)	1628674
Other long-term liabilities	(3857080)	(272418)
Short-term provisions	(160652)	(334573)
Cash generated from operations	37587206	(86108774)
Net income tax debited	1,600,000	-
Net cash flow from / (used in) operating activities (A)	35987206	(86108774)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(10050484)	15040393
Proceeds from sale of fixed assets	48323520	-
Bank balances not considered as Cash and cash equivalents		
- Placed	(95500000)	(25000000)
- Matured	25000280	25012390
Sale of Current invest. not considered as Cash and cash equivalents	59076005	72617128
Purchase of current investments	(46500000)	(86200000)
Interest received	5268192	3995362
Dividend received	-	-
Rental income from investment properties	3598801	3687495
Net cash flow from / (used in) investing activities (B)	(10783686)	9152768
C. Cash flow from financing activities		
Repayment of other short-term borrowings	-	-
Finance cost	(1285)	(58799)
Net cash flow from / (used in) financing activities (C)	(1285)	(58799)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	25202236	(77014807)
Cash and cash equivalents at the beginning of the year	14951895	91966702
Cash and cash equivalents at the end of the year	40154131	14951895

Particulars	For the year ended 31 March, 2014 Rupees	For the year ended 31 March, 2013 Rupees
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	135891887	40189932
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements : Unpaid Dividend: Rs.237756/- (Prev Yr 238036) & FDs having original maturity period more than 3 months but not exceeding 1 yr Rs.95500000/- (Prev Yr 25000000)	95737756	25238036
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	40154131	14951896
Cash and cash equivalents at the end of the year *	40154131	14951896
* Comprises:		
(a) Cash on hand	-	77910
(c) Balances with banks		
(i) In current accounts	40154131	14873926
(iii) In deposit accounts with original maturity of less than 3 months	-	-
	40154131	14951836

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 In terms of our report attached.

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

For and on behalf of the Board of Directors

Proprietor
(Alpesh Shah)
M.N. 105463

Chairman & M.D.
(Vijay C Shah)

Managing Director
(Sanket V Shah)

Whole-Time Director
(Nalini V Shah)

Place : Ahmedabad
Date: 28/07/2014

Place:Ahmedabad
Date : 28/07/2014


BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars		Note No.	As at 31 March, 2014	As at 31 March, 2013
			Rupees	Rupees
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	79,425,100	79,425,100
	(b) Reserves and surplus	3	118,681,469	112,135,923
			198,106,569	191,561,023
2	Non-current liabilities			
	(a) Deferred tax liabilities (net)	4	214,046	258,237
	(b) Other long-term liabilities	5	1,647,000	5,504,080
			1,861,046	5,762,317
3	Current liabilities			
	(a) Short-term borrowings	6	-	-
	(b) Other current liabilities	7	1,010,635	20,675,705
	(c) Short-term provisions	8	-	160,652
			1,010,635	20,836,357
	TOTAL		200,978,250	218,159,697
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	48,586,380	43,733,077
	(b) Non-current investments	10	4,004,916	5,288,425
	(c) Long-term loans and advances	11	6,500,987	77,880,839
	(d) Other non-current assets	12	39,002	230,907
			59,131,286	127,133,248
2	Current assets			
	(a) Current investments	13	5,000,000	16,500,000
	(b) Inventories	14	-	32,839,495
	(c) Trade receivables	15	-	214,431
	(d) Cash and cash equivalents	16	135,891,887	40,189,932
	(e) Short-term loans and advances	17	87,645	534,284
	(f) Other current assets	18	867,432	748,306
			141,846,964	91,026,448
	TOTAL		200,978,250	218,159,697
	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 : 28/07/2014

Place : Ahmedabad
Date : 28/07/2014

PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Particulars	Note No.	For the year ended 31 March, 2014	For the year ended 31 March, 2013
			Rupees	Rupees
1	Revenue from operations	19	6,456,483	21,646,699
2	Other income	20	9,967,998	10,731,368
3	Total revenue (1+2)		16,424,481	32,378,067
4	Expenses			
	(a) Cost of materials consumed	21	2,293,680	24,305,396
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	32,839,495	(5,859,896)
	(c) Employee benefits expense	23	7,302,853	7,253,981
	(d) Finance costs	24	1,285	77,883
	(e) Depreciation and amortisation expense		1,397,853	1,801,593
	(f) Other expenses	25	7,728,643	6,924,899
	Total expenses		51,563,809	34,503,856
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(35,139,328)	(2,125,789)
6	Exceptional items	26	43,240,683	(328,394)
7	Profit/(Loss) before extraordinary items and tax (5±6)		8,101,355	(2,454,184)
8	Tax expense:			
	(a) Current tax		1,600,000	-
	(b) Tax relating to prior years		-	2,775,000
	(c) Deferred tax credit		(44,191)	(122,821)
9	Profit / (Loss) for the year (07 ± 8)		6,545,546	(5,106,363)
10	Earnings per share (of Rs.10/- each):			
	(a) Basic		0.82	(0.64)
	(b) Diluted		0.82	(0.64)
	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 : 28/07/2014

Place : Ahmedabad
Date : 28/07/2014

Notes forming part of the financial statements

Note	Particulars
1. Significant accounting policies:	
a. Basis of accounting and preparation of financial statements	
	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.
b. Use of estimates	
	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.
c. Inventories	
	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 overheads and, where applicable, excise duty.
d. Cash and cash equivalents (for purposes of Cash Flow Statement)	
	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.
e. Cash flow statement	
	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.
f. Depreciation and amortisation	
	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.
g. Revenue recognition	
i <u>Accounting of construction contracts</u>	
	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.
ii <u>Income from services</u>	
	Rent from Safe vault is recognised on accrual basis
h. Other income	
	Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

i. Tangible fixed assets

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.

Borrowing costs are capitalised as part of qualifying fixed assets. Other borrowing costs are expensed.

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".

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, 2014		As at 31 March, 2013	
	Number of shares	Rupees	Number of shares	Rupees
Note 2 Share Capital				
(a) Authorised 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) Issued, Subscribed and fully paid up 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
Refer Notes (i) to (viii) below		79,425,100		79,425,100

(a) Reconciliation of number of shares

Shares outstanding as at 1st April, 2013 / 1st April 2012	7942510	7942510
Shares outstanding as at 31st March, 2014 / 31st March, 2013	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, 2014		As at 31 March, 2013	
	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	1831000	23.05
Sanket Vijay Shah	1174440	14.79	1174440	14.79
Swetal Chintan Parikh	1056000	13.30	1056000	13.30
Vijay Chandulal Shah-HUF	703000	8.85	703000	8.85
Niyati Sanket Shah	600000	7.55	600000	7.55
Nalini Vijay Shah	579000	7.29	579000	7.29

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, 2014	As at 31 March, 2013
	Rupees	Rupees
.....	58,125,000	58,125,000
(b) Revaluation Reserve:	53,778	53,778
(c) General Reserve:		
Opening balance	23,246,029	23,246,029
Closing balance	23,246,029	23,246,029
(d) Surplus / (Deficit) in Statement of Profit and Loss:		
Opening balance	30,711,116	35,817,479
Add : Profit / (Loss) for the year	6,545,546	(5,106,363)
Closing balance	37,256,662	30,711,116
Total	118,681,469	112,135,923
Note 4 Deferred Tax Liabilities (Net):		
(a) Deferred Tax Liabilities		
-Depreciation on fixed assets	214,046	258,237
(Net of assets raised during the year Rs. 44191/-)		
Total	214,046	258,237
Note 5 Other long-term liabilities :		
(a) Trade Payables:	-	-
(b) Others:		
(i) Trade / security deposits received	1,602,000	5,465,244
(ii) Income received in advance (Locker Rent Advance)	45,000	38,836
Total	1,647,000	5,504,080
Note 6 Short-term borrowings:	-	-
Note 7 Other current liabilities		
(a) Unpaid Dividends *	237,756	238,036
(b) Other payables:		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	-	1,505
(ii) Advances from customers	-	-
(iii) Others (specify nature)		
Advance Rent	-	-
Liability for Expenses	772,879	436,164
Advance received against sale of Fixed assets	-	20,000,000
Total	1,010,635	20,675,705
* These amount represent warrants issued to the shareholders which remained unrepresented as on 31st March 2014		
Note 08 Short-term provisions		
(a) Provision for employee benefits:		
(i) Provision for bonus	-	105,902
(ii) Provision for leave encashment	-	54,750
Total	-	160,652

Notes forming part of the financial statements
Notes 9 Fixed Assets:
(Amount in Rupees)

Description of Assets	As on 01-Apr-13	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Addition	Disposals	Other Adjustments	As on 31-Mar-14	As on 01-Apr-13	For the year	Deletion	As on 31-Mar-13	As on 31-Mar-14	As on 31-Mar-13
Land(*)	37386794	7294736	1,470,714	-	43210816	-	-	-	-	43210816	37386794
Buildings	550424	25000	-	-	575424	65446	24732	-	90178	485246	484978
Plant & Equipments	1531445	39400	-	-	1570845	389373	164185	-	553558	1017287	1142072
Furniture & Fixtures	1613908	-	-	-	1613908	722539	161338	-	883877	730031	891369
Vehicles	9238765	410,930	972017	-	8677678	5449144	1031672	895121	5585695	3091983	3789621
Computers	160700	28700	-	-	189400	122457	15926	-	138383	51017	38243
Total	50,482,036	7,798,766	2,442,731	-	55,838,071	6,748,959	1,397,853	895,121	7,251,691	48,586,380	43,733,077
Previous Year	66,903,402	1,088,643	1,524,354	15,985,655	50,482,036	5,999,946	1,801,593	1,052,580	6,748,959	43,733,077	-

Note 10 Non-current investments:

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rupees	Rupees
(a) Property at Perna Shikhar	1,222,603	1,931,567
(b) Property at Doctor House	2,433,813	2,565,565
(c) Property at Perna Viraj-2	-	506,293
(d) Tarrace Rights at A-1103 Perna Shikhar	50,000	50,000
(e) Property at Cellar-Perna Arbour	298,500	235,000
Total	4,004,916	5,288,425

Note 11 Long-term loans and advances:

(a) Advance income tax (net of provisions 16,00,000/- (As at 31 March, 2013 Rs. Nil /-) - Unsecured, considered good	2,289,987	2,442,239
(b) Advance for purchase of land	4,211,000	75,438,600
Total	6,500,987	77,880,839

Note 12 Other non-current assets:

(a) Unamortised expenses: Expenses relating to amalgamation	14,002	205,907
(b) Deposit with : VAT department	25,000	25,000
Electricity	-	-
Total	39,002	230,907

Note13 Current Investment:

Units of HDFC CMF Growth Fund pending allotment	-	16,500,000
Unit 5000/- IIFCL Tax Free Bond	5,000,000	-
Total	5,000,000	16,500,000

Market Value as as 31/03/2013

16,500,000

Note 14 Inventories:

 (At lower of cost and net realisable value)
 Construction work in progress

Total - **32,839,495**

Notes forming part of the financial statements

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rupees	Rupees
Note 15 Trade Receivables:		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment # Unsecured, considered good	-	46,409
(b) Other Trade receivables Unsecured, considered good	-	168,022
Total	-	214,431
Note 16 (a) Cash and cash equivalents:		
(a) Cash on hand	-	77,910
(b) Balances with banks (i) In current accounts	40,154,131	14,873,986
Note 16 (b) Other Bank Balance:		
(i) Term deposits having remaining maturity of more than 3 months but not more than 1 year (Refer Note (i) below)	95,500,000	25,000,000
(ii) In earmarked accounts - Unpaid dividend accounts	237,756	238,036
Total	135,891,887	40,189,932
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	40,154,131	-
Notes:		
(i) Balances with banks include deposits amounting to Rs.1.50/- Crores/- (As at 31 March, 2013 Rs.2.50/-Crores) which has been kept as security against which the overdraft facility.		
Note 17 Short-term loans and advances:		
(a) Loans and advances to employees Unsecured, considered good		
(b) Prepaid expenses - Unsecured, considered good	87,645	92,784
(c) Balances with government authorities Unsecured, considered good Service Tax Paid receivable	-	-
(d) Other Advances - Unsecured, considered good Advances for purchase of land Stamp Duty paid in Advance against sale of property	-	-
	-	441,500
Total	87,645	534,284
Note 18 Other current assets		
(a) Amalgamation Exp to be amortised within a year:	191,905	191,905
(b) Accruals:		
(i) Interest accrued on Bank Deposits	536,544	418,305
(c) Others:		
(i) Rent receivable	138,983	138,096
(ii) Advance deposit in Credit card	-	-
(iii) Tender Deposit	-	-
Total	867,432	748,306

Notes forming part of the financial statements

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rupees	Rupees
Note 19 Revenue from operations:		
(a) Sale of Plots (Refer Note (i) below):	-	20,192,065
(b) Other Proceeds from plot of land (Refer Note (ii) below)	4,905,882	-
(c) Sale of services (Refer Note (iii) below)	1,550,601	1,454,634
Total	6,456,483	21,646,699
Note:		
(i) Sale of plots comprises: Manufactured goods Plots at Prerna Aura Site.	-	-
Sub total (i)	-	20,192,065
(ii) Other Proceeds from plot of land Scheme of plotting on the land named as "Prerna Aura" was carried out on agriculture land in the name of directors in anticipation in near future the land portion is returned to the directors concened at it's Cost price	4,905,882	-
Sub total (ii)	4,905,882	-
(iii) Sale of services comprises : Rental income from Lockers	1,550,601	1,154,634
Sub total (iii)	1,550,601	1,141,139
Note 20 Other income		
(a) Interest income (Refer Note (i) below):	5,268,192	3,995,362
(b) Dividend income:	-	-
(c) Net gain on sale of: Current investments: Short Term Investment in Share & M.Fund without STT	1,076,005	2,917,128
Total	6,344,197	6,912,490
Note (i) Interest income comprises: Interest from banks on: - Fixed Deposits - Bond Interest Income Fixed Deposits from Companies	5,243,740 24,452 -	3,995,362 - -
Total - Interest income	5,268,192	3,995,362
(d) Other non-operating income comprises: Rental income from investment properties Liabilities / provisions no longer required written back Miscellaneous income Service charges received	3,598,801 - 25,000 -	3,687,495 15,646 96,485 19,252
Total - Other non-operating income	3,623,801	3,818,878
Total - Other income (a+b+c+d)	9,967,998	10,731,368

Notes forming part of the financial statements

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rupees	Rupees
Note 21 Cost of materials consumed:		
Opening Stock:	-	-
Add: Purchases	2,293,680	24,305,396
Less: Closing stock	-	-
Cost of material consumed	2,293,680	24,305,396
Material consumed comprises:		
Prerna Aura Land	-	7,767
Prerna Aura Material	88,048	2,533,210
Prerna Aura Works	948,374	19,297,867
Prerna Aura Landscaping	30,105	1,077,971
Prerna Aura Others	1,227,153	1,388,581
Total	2,293,680	24,305,396
Note 22 Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Inventories at the end of the year:		
Work-in-progress	-	32,839,495
	-	32,839,495
Inventories at the beginning of the year:		
Work-in-progress	32,839,495	26,979,599
	32,839,495	26,979,599
Net (increase) / decrease	32,839,495	(5,859,896)
Note 23 Employee benefits expense		
Salaries and wages	4,281,353	4,261,873
Bonus	-	105,902
Directors Remuneration	3,000,000	2,700,000
Staff welfare expenses	21,500	186,206
Total	7,302,853	7,253,981
Note 24 Finance costs		
(a) Interest expense on FD Overdraft.		
(i) Overdraft	1,121	58,799
(ii) Others		
- Interest on delayed payment of income tax	164	1,608
- Intetrest on Service Tax	-	17,476
Total	1,285	77,883

Notes forming part of the financial statements

Particulars	As at 31 March, 2014	As at 31 March, 2013
	Rupees	Rupees
Note 25 Other expenses		
Power and fuel	931,663	1328190
Repairs and maintenance - Others	220,150	262135
Maintenance Charge	475,778	637748
Insurance	188,282	135482
Rates and taxes	1,614,964	648800
Telephone	187,297	182783
Travelling and conveyance *	-	-
Foreign Travelling	410,230	-
Other Travelling	8,264	115308
Office Expenses	404,782	358258
Printing and stationery	105,555	47277
Advertisement Exps.	329,551	186322
Brokerage on Sale of Plots	-	1200000
Security Expenses	-	-
Business promotion	86,600	728672
Legal and professional	876,880	497863
Amalgamation Exps.W/o.	191905	191905
Membership Fees	14,438	14381
Miscellaneous expenses	130,673	99470
Auditors Remuneration	-	-
- statutory audit	168,540	168540
- taxation matters	-	39326
Stamp Duty Exps-Amalgation	-	-
Donation Exps.	-	21000
Listing Fees	62,000	61438
Damege Charge	1,321,093	-
Total	7,728,643	6924899
Note 26 Exceptional items		
Profit/(Loss) on sale of fixed assets	43,240,683	(328,394)
Total	43,240,683	(328,394)

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

Note 27 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.

Note 28 **Contingent liabilities and commitments (to the extent not provided for)**

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		Rupees	Rupees
(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).	818,197.00	818,197.00

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

	Particulars	As at 31 March, 2014	As at 31 March, 2013
		Rupees	Rupees
a	Value of imports calculated on CIF basis: Raw materials, Components, Spare parts	NIL	NIL
b	Expenditure in foreign currency: Since expenditure involves foreign currency but the original payment by the Company itself is in Rupees, no disclosure is made.	As at 31 March, 2014	As at 31 March, 2013
		Rupees	Rupees
		NIL	NIL
c	Details of consumption of imported and indigenous items * Raw materials Imported Indigenous	For the year ended 31 March, 2013	
		Rupees	%
		-	-
		-	-
d	Earning in foreign currencies (on accrual basis)	As at 31 March, 2014	As at 31 March, 2013
		Rupees	Rupees
		NIL	NIL

Note 30 **Disclosures under Accounting Standards 7 (Revised)**

	Particulars	As at 31 March, 2013	As at 31 March, 2012
		Rupees	Rupees
	Details of contract revenue and costs		
a	Contract Revenue (Land returned to directors in FY 2013-14)	4905882	20192065
b	Contract cost incurred	35133175	18445500
c	Recognised profit and losses	(30227293)	1746565
d	Advance received	-	-
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, 2014 and balances outstanding as at 31 March, 2014:

	KMP	Relatives of KMP	Total
Managerial Remuneration:			
Vijay C Shah	1000000		1000000
Sanket V Shah	1000000		1000000
Nalini V Shah	1000000		1000000
Swetal V Shah		1000000	1000000
Niyati Sanket Shah		1000000	1000000
Acceptance of loan:			
Sanket V Shah	8625000		8625000
Repayment of Loan			
Sanket V Shah	8625000		8625000
Balances outstanding at the end of the year			
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	2013-14 Rs.	2012-13 Rs.
Profit before taxation, as per profit & loss Account	8,101,355	(2,454,184)
Add:		
Director's remuneration	3,000,000	2,700,000
Depreciation as per books	1,397,433	1,801,593
Loss on sale of Share investment	-	358,480
	12,498,788	2,405,889
Less:		
Profit on sale of Fixed Assets	43,240,683	30,086
Profit on sale of Share Investment	1,076,005	2,917,128
Depreciation as per Section 350	1,397,433	1,801,593
Profit under Section 349 of the Companies Act, 1956	(33,215,333)	(2,342,918)
B. managerial remuneration		
(I) Managing and whole time director		
(i) Salary	3,000,000	2,700,000
(ii) Bonus	-	-
Total	3,000,000	2,700,000

Notes forming part of the financial statements contd

Note 33	Earnings Per Share 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, 2014	As at 31 March, 2013
		Rupees	Rupees
	Face Value Per Share	10	10
	Net Profit after Tax	6,545,546	(5106363)
	Weighted average Number of Shares	7925410	7925410
	Basic and Diluted Earnings per Share	0.83	(0.64)
Note 34	Micro, Small and Medium Enterprises Development Act, 2006 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.		

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 : 28/07/2014

Place : Ahmedabad
Date : 28/07/2014

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 26th Annual General Meeting of the company to be held on Friday, 26th September, 2014 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 2014

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

26th 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 26th Annual General Meeting of the Company to be held on Friday, 26th September, 2014 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.

BOOK - POST

To



Defining Quality

If not delivered please return to

Prerna Infrabuild Ltd.

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