

I N D E X

| PARTICULARS | PAGES |
|----------------------------------|--------------|
| Corporation Information | 02 |
| Notice | 03-07 |
| Director's Report | 08-11 |
| Corporation Governance Report | 12-17 |
| Auditor's Report | 18 |
| Auditor's Financial State | 19-20 |
| Consolidated Cash Flow Statement | 21 |
| Balance Sheet Abstract | 22-34 |
| Proxy Form & Attendance Slip | 35 |

CORPORATION INFORMATION

Board of Directors

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

Audit Committee

| | |
|----------|---|
| Chairman | Kiranbhai Shah Dinesh Kamdar Mahendra K. Gosaliya |
|----------|---|

Auditors

Alpesh Shah & Co.,
Chartered Accountant
19, Cellar, Shublaxmi Complex,
Nr. Sanghavi High School,
Naranpura,
Ahmedabad-380 013

Practising Company Secretary

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

Registered Office

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

Register & Share Transferred Agent

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

Website

www.prernagroup.com

Bank

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

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Prerna Infrabuild Limited will be held on Tuesday, 27 September, 2011, at 10.00 a.m. at the Registered Office of the Company situated at 'PRERNA', Survey No 820/1, In Lane of Panchvati Auto, Opp: Anand Dham Derasar, S. G. Road, Ahmedabad to transact the following business:

ORDINARY BUSINESS

1. To receive, consider & adopt the Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the reports of the Directors' & Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a director in place of Shri Kiran Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Ms Nalini Shah, who retires by rotation and being eligible, offers herself for reappointment.
5. To appoint M/s. Alpesh Shah & Co, Chartered Accountants, Ahmedabad as Auditors of the Company to hold office from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification the following resolutions as ORDINARY RESOLUTION:

RESOLVED THAT subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent for the appointment of Shri Vijay Shah as Managing Director for a period of five years w .e .f. 01/01/2011 and for the payment of remuneration of Rs 12,00,000/- p.a. to appointee Shri Vijay Shah, on the following additional terms & conditions.

- a. Remuneration will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962, and it may include followings.
 - I. Medical reimbursement for self and family.
 - II. Leave and Leave Travel Concession for self and family and
 - III. Personal Accident Insurance shall be in accordance with the rules of the Company.
- b. The Company shall provide a car, mobile phone and telephone facility at residence for business use.
- c. The Company's contribution to Provident Fund, Superannuation Fund and Gratuity shall be in accordance with the rules of the Company and shall not be included in the computation of the ceiling on remuneration.
- d. COMMISSION: Such percentage of commission (in addition to Salary, allowances, perquisites and benefits hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of allowances, perquisites and benefits shall not exceed the ceiling laid down under Sec.309 of the Companies Act, 1956.

"RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profit is inadequate, the appointee shall be paid the above referred remuneration as minimum remuneration.

"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time."

7. To consider and if thought fit, to pass with or without modification the following resolutions as ORDINARY RESOLUTION:

RESOLVED THAT subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent for the appointment of Shri Sanket Shah as Managing Director for a period of five years w .e .f. 01/01/2011 and for the payment of remuneration of Rs 12,00,000/- p.a. to appointee Shri Sanket Shah, on the following additional terms & conditions.

- a. Remuneration will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962, and it may include followings.
 - I. Medical reimbursement for self and family.
 - II. Leave and Leave Travel Concession for self and family and
 - III. Personal Accident Insurance shall be in accordance with the rules of the Company.
- b. The Company shall provide a car, mobile phone and telephone facility at residence for business use.
- c. The Company's contribution to Provident Fund, Superannuation Fund and Gratuity shall be in accordance with the rules of the Company and shall not be included in the computation of the ceiling on remuneration.
- d. COMMISSION: Such percentage of commission (in addition to Salary, allowances, perquisites and benefits hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of allowances, perquisites and benefits shall not exceed the ceiling laid down under Sec.309 of the Companies Act, 1956.

"RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profit is inadequate, the appointee shall be paid the above referred remuneration as minimum remuneration.

"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time."

8. To consider and if thought fit, to pass with or without modification the following resolutions as ORDINARY RESOLUTION:

RESOLVED THAT subject to provision of Section 198, 269, 309, 310 & 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval and consent for the appointment of Smt. Nalini Shah as Whole Time Director for a period of five years w .e .f. 01/01/2011 and for the payment of remuneration of Rs 12,00,000/- p.a. to appointee Smt. Nalini Shah, on the following additional terms & conditions.

- a. Remuneration will include payment made by way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income Tax Rules, 1962, and it may include followings.
 - I. Medical reimbursement for self and family.
 - II. Leave and Leave Travel Concession for self and family and
 - III. Personal Accident Insurance shall be in accordance with the rules of the Company.
- b. The Company shall provide a car, mobile phone and telephone facility at residence for business use.
- c. The Company's contribution to Provident Fund, Superannuation Fund and Gratuity shall be in accordance with the rules of the Company and shall not be included in the computation of the ceiling on remuneration.
- d. COMMISSION: Such percentage of commission (in addition to Salary, allowances, perquisites and benefits hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors which together with salary and monetary value of allowances, perquisites and benefits shall not exceed the ceiling laid down under Sec.309 of the Companies Act, 1956. "RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profit is inadequate, the appointee shall be paid the above referred remuneration as minimum remuneration.

"RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged or varied by the Board of Directors, in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 1956 and / or the rules and regulations made thereunder and /or such guidelines as may be announced by Government of India, from time to time."

9. To consider and if thought fit, to pass with or without modification the following resolutions as SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to appointment of Ms Niyati S. Shah, a Management Graduate and who is in relation with Managing Director of the Company, to hold an office or place of profit under the Company as Vice President (Marketing) with effect from 01/06/2011 on such terms & conditions and on such remuneration as set out below :

- 1) Salary: Upto Rs 100,000/- p. m. with a provision for increase in salary of not more than 25% p. a. over the previous year.
- 2) Annual bonus : not exceeding Rs 20,000/- p.a.
- 3) Perquisites and Allowances: (a) Medical and accident insurance premium as per company rules. (b) Provision of car. (c) Leave in accordance with the leave rules of the Company from time to time.

10. To consider and if thought fit, to pass with or without modification the following resolutions as SPECIAL RESOLUTION:

RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to appointment of Ms Swetal Parikh, a Commerce Graduate and who is in relation with Managing Director of the Company, to hold an office or place of profit under the Company as Vice President (Administration) with effect from 01/06/2011 on such terms & conditions and on such remuneration as set out below :

- 1) Salary: Upto Rs 100,000/- p. m. with a provision for increase in salary of not more than 25% p. a. over the previous year.
- 2) Annual bonus: not exceeding Rs 20,000/- p.a.
- 3) Perquisites and Allowances: (a) Medical and accident insurance premium as per company rules. (b) Provision of car. (c) Leave in accordance with the leave rules of the Company from time to time.

Place : Ahmedabad
Date : 30/05/2011

For and behalf of Board of Directors

Sanket V Shah
Managing Director

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on a Poll, if any, in his/her stead and the proxy need not be a member of the Company.
2. The instrument appointing proxies, in order to be effective, must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this notice.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the meeting (Item Nos. 6 to 8 of the notice) is annexed hereto.
4. As required by Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchanges the relevant details of Shri Kiran Shah and Ms Nalini Shah, Directors retiring by rotation and seeking re-appointment under Item No. 3 and Item No.4 of the Notice respectively, are annexed herewith.

5. Register of Members and Share Transfer Books of the Company was remained closed from Monday, the 25 July, 2011 to Friday, the 5 August, 2011 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if any, declared at this meeting.
6. Dividend on Equity Shares, if declared at the meeting, shall be paid on or after 30th September, 2011 to the shareholders whose names appeared on the Register of Members of the Company on Friday, the 5 August, 2011. In case of shares held in dematerialized form, the dividend thereon shall be paid to the beneficial owners, as per list provided by the Depositories for the said purpose.
7. Members are requested to visit the website of the Company 'www.premnagroup.com' for viewing the quarterly & annual financial results and for more information on the Company.
8. For any investor-related queries, communication may be sent by e-mail to 'investors@premnagroup.com'.
9. Big Share Services Private Limited (Big Share) is the Registrar & Share Transfer Agent (R&TAgent) of the Company. All investor related communication may be addressed to Big Share at the following address:

Big Share Services Private Limited.
E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka Andheri (E), Mumbai, 400 072. Tel: 91-22-28470652|40430200|28470653
Fax: 91-22-28475207, E Mail:marketing@bigshareonline.Com.
10. For effecting changes in address/bank details / ECS (Electronic Clearing Service) mandate, members are requested to notify:
 - (i) the R&T Agent of the Company, viz. Big Share, if shares are held in physical form; and
 - (ii) their respective Depository Participant (DP), if shares are held in electronic form.
11. Members are requested to send their queries, if any, to reach the Company at its Registered Office, at least 10 days before the meeting, so that the information can be compiled in advance.
12. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item no 6

Members may kindly note that the present term of Shri Vijay Shah as Chairman and Managing Director of the Company entrusted with substantial powers of management to be exercised subject to the superintendence, control and direction of the Board of Directors, was prematurely ended on 31 December, 2010. He was re-appointed as a Managing Director for a period of five years w.e.f. 15/01/2006 in Board Meeting dated 15/01/2006 on remuneration of Rs 6,00,000/- p.a.

On recommendation of remuneration committee, the Board of Directors of the Company at the meeting held on 31 December, 2010 has, subject to the approval of the members, unanimously approved the appointment of Shri Vijay Shah as Chairman and Managing Director of the Company (Managing Director under the Companies Act, 1956) w.e.f. 1 January, 2011 for a period of 5 (five) years, including payment of remuneration. An abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956 dated 31 December, 2010 has already been circulated to the members. Shri Vijay Shah has been associated with the Company since incorporation and has been instrumental in formulation of long-term vision and strategy of the Company. He has more than 40 years of experience in the real estate. Members' approval is required for the re-appointment of Shri Vijay Shah as Chairman and Managing Director of the Company w.e.f. 1 January, 2011 and payment of remuneration as set out in the accompanying resolution.

The remuneration proposed is within the limits of Part II of the Schedule XIII of the Companies Act, 1956 and there is no default in repayment of any of debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time. The remuneration proposed under the resolution was also proposed to be paid as minimum remuneration during the tenure of his appointment, in case in any financial year the company earns no profit or inadequate profit.

The Board recommends the resolution set out at item no. 6 of the notice for your approval.

None of the Directors, except Ms Nalini Shah and Shri Sanket Shah, are in any way, concerned or interested in the resolution set out at item no. 6 of the Notice.

Item no 7

Members may kindly note that the present term of Shri Sanket Shah as Managing Director of the Company was prematurely ended on 31 December, 2010. He was appointed as a Managing Director for a period of five years w.e.f. 15/06/2006 in Board Meeting dated 15/06/2006 on remuneration of Rs 6,00,000/- p.a.

On recommendation of remuneration committee, the Board of Directors of the Company at the meeting held on 31 December, 2010 has, subject to the approval of the members, unanimously approved the re-appointment of Shri Sanket Shah as Managing Director of the Company (Managing Director under the Companies Act, 1956) w.e.f. 1 January, 2011 for a period of 5 (five) years, including payment of remuneration. An abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956 dated 31 December, 2010 has already been circulated to the members.

Shri Sanket Shah has been associated with the Company for more than ten years and has been actively involved in business policy decisions of the Company. He has 15 years of experience in the real estate business. Members' approval is required for the re-appointment of Shri Sanket Shah as Managing Director of the Company w.e.f. 1 January, 2011 and payment of remuneration as set out in the accompanying resolution.

The remuneration proposed is within the limits of Part II of the Schedule XIII of the Companies Act, 1956 and there is no default in repayment of any of debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time. The remuneration proposed under the resolution was also proposed to be paid as minimum remuneration during the tenure of his appointment, in case in any financial year the company earns no profit or inadequate profit.

The Board recommends the resolution set out at item no. 7 of the notice for your approval.

None of the Directors, except Ms Nalini Shah and Shri Vijay Shah, are in any way, concerned or interested in the resolution set out at item no. 7 of the Notice.

Item no 8

Members may kindly note that the present term of Ms Nalini Shah as Whole Time Director of the Company was prematurely ended on 31 December, 2010. She was re-appointed as a Whole Time Director for a period of five years w.e.f. 15/01/2006 in Board Meeting dated 15/01/2006 on remuneration of Rs 6,00,000/- p.a.

On recommendation of remuneration committee, the Board of Directors of the Company at the meeting held on 31 December, 2010 has, subject to the approval of the members, unanimously approved the re-appointment of Ms Nalini Shah as Whole Time Director of the Company w.e.f. 1 January, 2011 for a period of 5 (five) years, including payment of remuneration. An abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956 dated 31 December, 2010 has already been circulated to the members.

Ms Nalini Shah has been associated with the Company since incorporation and has been actively involved in business policy decisions of the Company. She has 25 years of experience in the real estate business. Members' approval is required for the re-appointment of Ms Nalini Shah as Whole Time Director of the Company w.e.f. 1 January, 2011 and payment of remuneration as set out in the accompanying resolution.

The remuneration proposed is within the limits of Part II of the Schedule XIII of the Companies Act, 1956 and there is no default in repayment of any of debts or interest payable thereon till date. The remuneration is subject to provisions of the Income Tax Act, as applicable from time to time. The remuneration proposed under the resolution was also proposed to be paid as minimum remuneration during the tenure of his appointment, in case in any financial year the company earns no profit or inadequate profit.

The Board recommends the resolution set out at item no. 8 of the notice for your approval.

None of the Directors, except Shri Sanket and Shri Vijay Shah, are in any way, concerned or interested in the resolution set out at item no. 8 of the Notice.

Item no 9

Profile of Ms. Niyati Shah

Father's Name : Mr Alkesh Shah

Date of Birth : 30/01/1981

Ms. Niyati Shah is qualified management graduate. She has been working as Managerial Personnel since 2006. She has been designated as Vice President (Marketing) and is responsible for assisting the Managing Director in designing marketing policies and its execution. She was found competent to hold the said position in the Company. She is a relative of Director/s. Presently, she is drawing a salary of Rs. 48,750/- plus other permissible perquisites. It is proposed to re-appoint Ms. Niyati Shah, as Vice President (Marketing) of the Company years commencing from 1 June, 2011. The proposed remuneration to Ms. Niyati Shah is commensurate with her experience and is in line with the industry standards.

The Board recommends the resolution set out at item no.9 of the notice for your approval.

None of the Directors, except Shri Sanket, Ms Nalini Shah and Shri Vijay Shah, are in any way, concerned or interested in the resolution set out at item no. 9 of the Notice.

Item no 10

Profile of Ms. Swetal Parikh

Father's Name : Vijay Shah

Date of Birth : 26/06/1976

Ms. Swetal Parikh is commerce graduate. She worked with Prerna Stock Brokers Pvt Ltd. as Director during 01/04/2005 to 19/05/2011. She has been designated as Vice President (Administration) and is responsible for liaisoning with various Government and non Government agencies, HRD etc. She was found competent to hold the said position in the Company. She is a relative of Director/s. She was drawing a salary of Rs 48,750/- plus other permissible perquisites in Prerna Stock Brokers Pvt. Ltd.

It is proposed to appoint Ms. Swetal Parikh, as Vice President (Administration) of the Company commencing from 1 June, 2011. The proposed remuneration to Ms. Swetal Parikh is commensurate with her experience and is in line with the industry standards.

The Board recommends the resolution set out at item no.10 of the notice for your approval.

None of the Directors, except Shri Sanket, Ms Nalini Shah and Shri Vijay Shah, are in any way, concerned or interested in the resolution set out at item no. 10 of the Notice.

Place : Ahmedabad
Date : 30/05/2011

For and behalf of Board of Directors

Sanket V Shah
Managing Director

Details of the Directors seeking re-appointment in the
Twenty Third Annual General Meeting
pursuant to Clause 49 of Listing Agreement of Bombay Stock Exchange

| | | | |
|----|--|---|----------------|
| 1. | Name of Director | Shri Kiran Shah | Ms Nalini Shah |
| 2. | Date of Birth | 17/01/1946 | 30/11/1951 |
| 3. | Relationships with other Directors | None | Spouse/Mother |
| 4. | Date of Appointment | 12/08/2006 | 13/04/1988 |
| 5. | Expertise | Architect | Finance |
| 6. | Qualification | Architect BE Civil | B.Com |
| 7. | No. of Equity Shares held in the Company | 4000 | 370000 |
| 8. | List of other companies in which directorship are held | None | None |
| 9. | List of committees of the Board of Directors (across all companies) in which Chairmanship / Membership is held | Audit Committee (Chairman) Remuneration Committee (Chairman) | None |

Note :

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

DIRECTORS REPORT**To The Members,**

Your Directors have pleasure in presenting their 23rd Annual report on the business and operations of your Company for the year ended March 31, 2011.

FINANCIAL RESULTS:

| | 2010-11 (Rs in Lac) | 2009-10 (Rs in Lac) |
|------------------------------------|---------------------|---------------------|
| Profit before tax | 100.12 | (1.02) |
| Provision for Taxation | 029.70 | (2.01) |
| Prior period Adjustments | - | 1.44 |
| Profit after Taxation | 070.42 | (1.59) |
| Balance Brought Forward | 150.85 | 150.85 |
| Distributable profit | 221.27 | 150.85 |
| Appropriated as under: | | |
| Transfer to General Reserve | 0 | 0 |
| Proposed Equity Dividend | 55.60 | 0 |
| Tax on Distributed Profits | 09.02 | 0 |
| Balance Carried Forward | 150.65 | 150.85 |
| Earnings Per Share (Rs. Per share) | 0.89 | - |

PERFORMANCE REVIEW

The sales and operating income increased to Rs. 202.77 lacs from Rs. 80.25 lacs in the previous year yielding a growth of 152.67%. The operating profit for the year was Rs. 70.42 lacs as against loss of Rs. 1.59 lacs in the previous year.

APPROPRIATIONS**Dividend**

The Board has recommended a dividend of Rs. 0.70 per equity share (previous year dividend Rs. NIL per equity share) of fully paid up face value of Rs. 10/-, amounting to Rs. 55.60 lacs (previous year dividend Rs. NIL). The tax on distributed profits payable on this dividend is Rs. 9.02 lacs (previous year Rs. NIL) making the aggregate distribution to Rs. 64.62 lacs (previous year Rs. NIL). The distributed profits are 96.02 % (previous year NIL%) of the net profits for the year. The proposed dividend would be tax free in the hands of the shareholders.

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 and hence, the Board has recommended a transfer of Rs. Nil to the general reserve and an amount of Rs. 150.85 lacs is retained in the profit and loss account.

AMALGAMATION

With a view to achieving synergies of operations, optimum utilisation of resources and control costs, the Board of Directors had decided to amalgamate Prerna Builders Ltd., Prerna Hospitals Private Ltd., and Prerna Stock Brokers Private Ltd., with the Company w.e.f. April 1, 2010 i.e. 'the Appointed Date'.

The Hon'ble High Court of Gujarat, at Ahmedabad had, vide its Order dated April 16, 2011, sanctioned the scheme of amalgamation between Prerna Builders Ltd., Prerna Hospitals Private Ltd., and Prerna Stock Brokers Private Ltd., with the Company. Consequently, Prerna Builders Ltd., Prerna Hospitals Private Ltd., and Prerna Stock Brokers Private Ltd., stood amalgamated with the Company w.e.f. April 1, 2010.

SHARE CAPITAL

During the year, the following changes were effected in the Share Capital of your Company:-

- i) **Increase in Authorised Share Capital**
The Authorised Share Capital of your Company was increased from Rs. 650 Lacs to Rs. 800 Lacs divided into 1500,000 Equity Shares of Rs. 10/- each, with effect from 30th September, 2010.
- ii) **Increase in Issued and Paid up Share Capital**
Consequence to amalgamation of Prerna Builders Ltd., Prerna Hospitals Private Ltd., and Prerna Stock Brokers Private Ltd., with the Company 18,69,910 Equity Shares of Rs. 10/- each, fully paid-up, were issued on 18/05/2011, in the ratio of
 - * 22 (Twenty Two) Equity Shares of Rs 10/- each in respect of every one Equity Shares of Rs 10/- each fully paid-up held in the capital of Prerna Builders Limited.
 - * 1 (One) Equity Share of Rs 10/- each in respect of every one Equity Shares of Rs 10/- each fully paid-up held in the capital of Prerna Stockbrokers Private Limited.
 - * 1 (One) Equity Share of Rs 10/- each in respect of every one Equity Shares of Rs 10/- each fully paid-up held in the capital of Prerna Hospitals Private Limited.

Consequently, the Issued and Subscribed Share Capital of your Company, as on 31st March, 2011, stands increased to Rs. 794,25,100/- divided into 79,42,510 Equity Shares of Rs. 10/- each. The new Equity Shares rank pari passu with the existing Equity Shares of your Company.

LIQUIDITY AND CASH EQUIVALENTS

Your Company continues to retain its status of a debt-free Company. The Company has been conservative in its investment policy over the years, maintaining a reasonably high level of cash and cash equivalents which enables the Company to completely eliminate short and medium term liquidity risks. Cash and cash equivalents constitute 67% of the total assets at Rs.2941.59 lacs, at the year end, against 74.85% of total assets at the close of the previous year. An amount of Rs.1963.00 lacs, as on March 31, 2011 was in bank fixed deposits at an average interest rate of 7.27% per annum and Rs.8.14 lacs was in liquid schemes and fixed maturity plans of various mutual funds. The mix between fixed deposits, liquid schemes and fixed maturity plans is a function of the prevailing interest rates.

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE

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

DIRECTORS

The clause 146 read with clause 170 of Articles of Association of the Company provide that at least two-thirds of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election.

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

Your Board at its meeting held on 31 December, 2010 recommended for the approval of the Members:

- * re-appointment of Shri Vijay Shah as a Director, not liable to retire by rotation, and also as Managing Director and Chairman of your Company, for a period of five years from 1 January, 2011.
- * re-appointment of Shri Sanket Shah as a Director, not liable to retire by rotation, and also as Managing Director of your Company, for a period of five years from 1 January, 2011.
- * re-appointment of Ms Nalini Shah as a Director, liable to retire by rotation, and also as Whole Time Director of your Company, for a period of five years from 1 January, 2011.

AUDIT COMMITTEE

The Audit Committee consists of three Directors – Shri Kiran Shah, Shri Mahendra Gosaliya and Shri Dinesh Kamdar and is chaired by Shri Kiran Shah. The Audit Committee was re-constituted vide board resolution dated 25th October 2010 in order to induct Shri Mahendra Gosaliya in place of Ms. Swetal Parikh during the year under review.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three Directors – Shri Kiran Shah, Shri Mahendra Gosaliya and Shri Dinesh Kamdar and is chaired by Shri Kiran Shah. The Remuneration Committee was re-constituted vide board resolution dated 25th October 2010 in order to induct Shri Mahendra Gosaliya in place of Ms. Swetal Parikh during the year under review.

CODE OF CONDUCT

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

SECRETARIAL AUDIT

Pinakin Shah & Co., Practicing Company Secretary conducted Secretarial Audit pursuant to provisions of Section 383A of the Companies Act, 1956, for the financial year 2010-11. Pinakin Shah & Co., has submitted the Report confirming compliance with the applicable provisions of Companies Act, 1956 and other rules and regulations issued by SEBI/other regulatory authorities for Corporate law.

LISTING OF SHARES

The Company's share continues to remain listed with The Bombay Stock Exchange, Mumbai, where the share is actively traded. A listing application was made to BSE for listing of additional 18,69,910 equity shares allotted by the Company on 18th May, 2011 to the shareholders of amalgamated companies.

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 is not applicable to the Company. However the Company endeavored to conserve energy consumption wherever feasible.

The Company has neither used nor earned any foreign exchange during the year under review.

PARTICULARS OF EMPLOYEES:

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- * in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- * the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year and of the profit of the Company for the period;
- * the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- * The Directors have prepared the annual accounts on a going concern basis.

Cash Flow

A Cash Flow statement for the year ended March 31, 2011 is attached to the Balance Sheet.

AUDITORS AND AUDITORS' REPORT:

The auditors M/s Alpesh Shah & Co, Chartered Accountants, Ahmedabad holds office until the conclusion of the Next Annual General Meeting and they have intimated the company in writing of their willingness to be reappointed as auditors of the Company for the financial year 2011-12. The Company has received certificate from them to the effect that the appointment if made, would be within prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

The Company has not made any provision as required under AS-15 because Accounting standard- 15 applies to retirement benefits in the form of provident fund, superannuation/pension and gratuity provided by an employer to employees, whether in pursuance of requirements of any law or otherwise. It also applies to retirement benefits in the form of leave encashment benefit. Your company is not covered under The Employees Provident Fund Act and The Payment of Gratuity Act and hence no provision was made towards retirement benefits.

As required under As – 18, part II (X) of schedule 21 deals with related party disclosures which includes remuneration paid to Ms. Swetal Parikh as Director of one of the amalgamated company i.e. Prerna Stock Brokers Pvt. Ltd. Ms. Swetal Parikh resigned from the Board w.e.f. 31/05/2011. The Board has terminated all related party transaction of amalgamating companies w.e.f. 01/06/2011.

The notes on accounts are self-explanatory and do not require further clarifications.

FIXED DEPOSITS

The Company has not invited or accepted any deposits from the public. However it has accepted unsecured loan from its directors and shareholders after complying with requirements of acceptance of deposits rules as stated under Rule 3 of the Companies (Acceptance of Deposits) Rules, 1975 and also filed the Statement in lieu of Advertisement before acceptance of such deposits.

INSURANCE

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

ACKNOWLEDGMENTS

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

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

For and behalf of Board of Directors

Vijay Shah
Chairman & Managing Director

Date : 30/05/2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and development

According to a report 'Emerging trends in Real Estate in Asia Pacific 2011', released by Price water house Coopers (PwC) and Urban Land Institute (ULI), India is the most viable investment destination in real estate. According to the data released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector including cineplex, multiplex, integrated townships and commercial complexes etc, attracted a cumulative foreign direct investment (FDI) worth US\$ 9,405 million from April 2000 to January 2011 wherein the sector witnessed FDI amounting US\$ 1,048 million during April-January 2010-11.

Union Budget 2011-12 has following good news for real estate firms:

- Raised the limit on housing loans eligible for a 1 per cent subsidy in interest rates.
- Widened the scope for housing under "priority-sector lending" for banks, making interest rates cheaper on them.
- The government earmarked a substantial amount to the Urban Development Ministry for spending on extension of Metro networks in Delhi, Bangalore and Chennai.
- The urban infrastructure development project has been allocated US\$ 20.03 million.
- Urban Development Ministry has got total US\$ 1.5 billion, an increase of US\$ 68.53 million from the last fiscal 2010-11.
- The allocation for Bharat Nirman has been hiked to US\$ 12.89 billion. Bharat Nirman consists of 6 flagship programs, the Pradhan Mantri Gram Sadak Yojana (PMGSY), Accelerated Irrigation Benefit Program, Rajiv Gandhi Grameen Vidyutikaran Yojana, Indira Awas Yojana, National Rural Drinking Water Program and Rural telephony.

Opportunities

According to the Confederation of Real Estate Developers' Associations of India (CREDAI), the affordable housing segment is set to play an important role in India's real estate sector in 2011 on the back of substantial demand ignited by economic recovery.

Moreover, 2011 is expected to be a positive year for the real estate sector. The revival is expected to be driven by infrastructure growth, which in turn, can accelerate real estate activities both in the residential as well as commercial spaces.

The cityscape of Ahmedabad will be improved with the permission for upcoming Ahmedabad-Dandi heritage route in Gujarat. The plan to introduce metro rail service in the city is no less than a boon to Ahmedabad infrastructure. The construction of another ring road is planned with three of them already existing. Ahmedabad seems to be converting into a metropolitan city soon with well planned infrastructure and contemporary amenities.

Threats

A recent report released by Crisil Research, titled 'Real (i)ty Next: Beyond the Top 10 Cities of India', estimates a correction of 5% in real estate market of Ahmedabad.

The Reserve Bank of India has expressed concerns over the lopsided growth in advances to retail, commercial real estate and infrastructure sector. Real estate loans constituted 17.7% of gross advances in March 2011, The rate of growth of NPAs in this segment at 19.8% was also higher than the overall NPA growth rate of 14.8%. In particular, the NPAs in the commercial real estate segment grew at 70.3% as at end March 2011.

Segment-wise or product-wise performance

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

Future Outlook

The construction of " Prerna Aura", A Scheme of Residential Plots and Bungalows, spread across approx 20 Lakh sq ft of Land on Sanand – Kadi Road, is in full swing. Upcoming projects, Prerna Aagman and Prerna Aroma, scheme of Flats, Shops and Residential Plots and Bungalows, will come up on the Sanand – Nalsarovar Road.

Internal Control Systems & their Adequacy

The company has proper & adequate system of their internal controls proportionate to its size and business. The internal control systems of the company are designed to ensure that the financial and other records are reliable for preparing financial statements and other data.

Cautionary Statement

The Management Discussion & Analysis Report may contain certain statement that might be considered forward looking within the meaning of applicable securities, laws and regulations. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the Company's operations such as Government policies, tax laws, political and economic development.

Ahmedabad
Date: 30/05/2011

For and behalf of Board of Directors

Vijay Shah
Chairman & Managing Director

CORPORATE GOVERNANCE – PRERNA INFRABUILD, LIMITED
(As required by clause 49 of the Listing Agreement with the Bombay Stock Exchange)

This section on Corporate Governance forms part of the Directors' Report to the shareholders. This report is given in terms of clause 49 of the Listing Agreement entered with the Bombay Stock Exchange where the shares of the Company have been listed.

MANDATORY REQUIREMENTS
1. Company's Philosophy & Code of Governance

Your company's corporate governance policy is directed towards adherence to ethical business practices. All mandatory requirements as also a few non-mandatory requirements prescribed by Clause 49 of the Listing Agreement have been implemented by the Company. Non-mandatory requirements such as formation of Remuneration Committee have been implemented. Codes of business conduct, adopted by the directors and senior management personnel, are posted on the website of the Company (www.pernagroup.com).

All board members and senior management personnel have affirmed compliance with the respective codes of conduct for the year ended March 31, 2011. In terms of Clause 49 (I) (D) of the Listing Agreement, the Managing Director has given the requisite declaration to this effect. In terms of Clause 49 (V) of the Listing Agreement, the Chairman and Managing Director [CEO] and Managing Director [CFO] have given the requisite certification to the Board of Directors in the prescribed format for the period under review.

2. Board of Directors
Composition of Board:

The strength of the Board as on March 31, 2011 was seven, of which, three are executive promoter directors, one is a non-executive promoter director and three are independent directors. The requisite particulars are given below: -

| Directors | Attendance Particular | | | Other Committee Membership | | |
|---|--------------------------|---------------|----------|----------------------------|--------|----------|
| | Category | Board Meeting | Last AGM | Other Directorship | Member | Chairman |
| Shri Vijay C Shah Chairman & Managing Director | Promoter & Executive | 8 | Y | 2 | 0 | 0 |
| Smt Nalini V Shah WholeTime Director | Promoter & Executive | 8 | Y | 2 | 0 | 0 |
| Shri Sanket V Shah Managing Director | Promoter & Executive | 8 | Y | 2 | 0 | 0 |
| Smt Swetal C Parikh (Up to 31/05/2011) | Promoter & Non Executive | 8 | Y | 0 | 0 | 0 |
| Shri Kiran H Shah | IND | 5 | Y | 0 | 0 | 0 |
| Shri Dinesh V Kamdar | IND | 8 | Y | 0 | 0 | 0 |
| Shri Mahendra K. Gosaliya | IND | 8 | Y | 0 | 0 | 0 |

Board Meetings

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

Details of Board Meetings

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

| Date of Meeting | No of Directors Present |
|-----------------|-------------------------|
| 07/05/2010 | 7 |
| 30/06/2010 | 7 |
| 30/07/2010 | 7 |
| 04/08/2010 | 7 |
| 11/10/2010 | 7 |
| 25/10/2010 | 7 |
| 31/12/2010 | 7 |
| 28/01/2011 | 7 |

The Board passed resolutions by circulation, on 21/10/2010 and 15/11/2010.

3. AUDIT COMMITTEE

The Audit Committee comprises of following members:

| Name | Designation | Attendance |
|---|------------------------------------|------------|
| Smt Swetal C Parikh [Up to 24/10/2010] | Non Executive Independent | 2 |
| Shri Dinesh Kamdar | Non Executive Independent | 4 |
| Shri Kiran Shah | Chairman Non Executive Independent | 4 |
| Shri Mahendra Gosaliya [w.e.f.25/10/2010] | Non Executive Independent | 2 |

Compliance officer acts as the Secretary of the Committee. All the members of the Audit Committee are financially literate. The Chairman of the Committee attended the last Annual General Meeting of the Company held on September 30th 2010. The meetings of the Audit Committee are attended by the finance head, representatives of accounts, statutory and internal auditors. The Audit Committee addresses matters pertaining to appropriateness of audit tests and checks, reliability of financial statements, adequacy of provisions for liabilities and internal controls. The Committee lays emphasis on adequate disclosures and compliance with all relevant statutes. The Committee performs the functions enumerated in Clause 49 of the Listing Agreement, Section 292A of the Companies Act, 1956 and duties cast upon from time to time by the Ministry of Corporate Affairs through its circulars and notifications. The matters deliberated upon by the Committee include:-

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

Details of Audit Committee Meetings:

The Audit Committee was reconstituted on 25/10/2010 and it met four times during the year under review on 30/06/2010, 31/07/2010, 25/10/2010 & 28/01/2011 and was attended by all members.

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of following members :

| Name | Position | Category |
|---|----------|---------------------------|
| Shri Kiran H Shah | Chairman | Non Executive Independent |
| Smt Swetal C Parikh [Up to 24/10/2010] | Member | Non Executive Independent |
| Shri Dinesh V Kamdar | Member | Non Executive Independent |
| Shri Mahendra Gosaliya [w.e.f.25/10/2010] | Member | Non Executive Independent |

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

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

Details of Remuneration Committee Meetings:

The Remuneration Committee was reconstituted on 25/10/2010 and it met on 25/10/2010 and 31/12/2010 during the year under review and was attended by all members.

5. SHAREHOLDERS/INVESTOR'S GRIEVANCES COMMITTEE

The Investors' Grievances Committee comprises two directors, namely Shri Dinesh Kamdar and Shri Sanket Shah. Meetings of the Investors' Grievances Committee are also attended by the head of Investors' Services Department.

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

Your Company received nil complaints from shareholders during the year. As on March 31, 2011, no complaints remained pending/un-attended and no share transfers remained pending for over 30 days, during the year.

Details of the Investors' Grievances Committee Meetings

It met 20 times during the year and approved transfer of 28100 equity shares.

6. DETAILS OF LAST THREE ANNUAL GENERAL MEETING

| Year | Venue of AGM | Day, date & time Resolutions passed | No. of Special |
|---------|--|-------------------------------------|----------------|
| 2007-08 | 6 th Floor Doctor House, C.G.Road, Ahmedabad-6 | Saturday, 23/08/2008 at 10.00 a.m. | 2 |
| 2008-09 | 6 th Floor Doctor House, C.G.Road, Ahmedabad-6 | Wednesday, 30/09/2009 at 11.30 a.m. | 1 |
| 2009-10 | 'PRERNA', Survey No. 820/1, In Lane Of Panchvati Auto, Opp: Anand Dham Derasar, S. G. Road, Ahmedabad. | Thursday, 30/09/2010 at 10.00 a.m. | Nil |

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

7. Disclosure on materially significant related party transactions:

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

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

8. Means of communication

Quarterly and annual financial results of the Company are submitted to the Bombay Stock Exchanges immediately after the Board approves them. Thereafter, the same results for the Quarter ended on June, September and December are published in English (The Western Times, Ahmedabad) and Gujarati (Times, Ahmedabad edition) and for Quarter ended on March are published in English (The Economic Times) and Gujarati (Times, Ahmedabad edition) newspapers. Disclosures pursuant to various clauses of the Listing Agreement are promptly communicated to the Bombay Stock Exchanges.

No formal presentation was made to the institutional investors or to the analysis during the year under review.

Management Discussion and Analysis forms Part of the annual report, which is posted to the shareholders of the company.

9. General Shareholder Information

*** Exclusive email id for investor grievances**

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

Person in-charge of the Department : Ms. Swetal Parikh, Vice President.

*** ANNUAL GENERAL MEETING**

The 23rd Annual General Meeting will be held at 10.00 a.m. on Tuesday, September 27, 2011, at 'PRERNA', Survey No. 820/1, In Lane of Panchvati Auto, Opp: Anand Dham Derasar, S. G. Road, Ahmedabad.

*** FINANCIAL CALENDAR**

First quarter results : July 2011
 Second quarter results : October 2011
 Third quarter results : January 2012
 Annual results : April/May 2012
 Annual General Meeting : August/September 2012

*** BOOK CLOSURE**

The Register of Members and the Share Transfer Register were closed from Monday, July 25, 2011 to Friday, August 05, 2011, (both days inclusive).

Dividend for the year ended March 31, 2011, if declared, at the Annual General Meeting, shall be paid to:

- Beneficial owners at the end of business day on Friday, August 05, 2011 as per lists furnished by NSDL and CDSL in respect of shares held in electronic form; and
- Persons whose names appear on the Register of Members as at the end of the business day on Friday, August 05, 2011 in respect of shares held in physical form.

* **DIVIDEND PAYMENT DATE**

Dividend, if declared, shall be paid within three working days from the date of the Annual General Meeting. Dividend shall be remitted through National Electronic Clearing Service (NECS), wherever bank details including MICR no. are available with the Company, and in other cases, through warrants, payable at par.

* **SHARES LISTED AT**

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

Annual Listing fees for the year 2011-12 have been paid to Bombay Stock Exchange. The Company has also paid the Annual Custodial fees to both the depositories.

* **STOCK CODES**

The stock codes of the Company is : 531802

* **INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)**

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

* **CORPORATE IDENTITY NUMBER (CIN)**

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

* **High/Low of monthly Market Price of the Company's Equity Shares Traded on the Bombay Stock Exchanges during the financial year 2010-11 is furnished below:**

| Month | 2 0 1 0 - 1 1 | |
|----------------|---------------|-------|
| | High | Low |
| April-2010 | 19.15 | 15.40 |
| May-2010 | 22.50 | 13.90 |
| June-2010 | 37.00 | 21.60 |
| July-2010 | 38.55 | 25.80 |
| August-2010 | 43.10 | 28.85 |
| September-2010 | 36.45 | 28.25 |
| October-2010 | 39.30 | 30.50 |
| November-2010 | 54.70 | 40.55 |
| December-2010 | 47.00 | 33.55 |
| January-2011 | 39.45 | 34.25 |
| February-2011 | 39.60 | 31.95 |
| March-2011 | 37.40 | 25.00 |

* **EVOLUTION OF CAPITAL**

Particulars of Equity shares issued by the Company:

| Date of Allotment | Allotment of shares | Total issued Capital at the end of financial year (₹) |
|-------------------|---------------------|---|
| 15/05/1995 | 1380000 | 1380000 (1994 – 1995) |
| 03/01/1996 | 1330000 | 2710000 (1995 – 1996) |
| 02/03/1996 | 3362600 | 6072600 (1996 – 1997) |
| 18/05/2011 | 1869910 | 7942510 (2011 – 2012) * |

* **Appointed date of amalgamation was 01/04/2010.**

* **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 Investor Grievance Committee meets at a regular interval to consider and approve the transfer, transmission, issuance of duplicate / consolidated / sub-divided share certificates and requests for dematerialization / 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 Bombay Stock Exchange.

* Distribution of Shareholding (as on March 31, 2011)
on the basis of Share held [Post Amalgamation]

| No of equity Shares held | No of Shares Holder (Physical) | No of Shares (Physical) | No. of Shares Holder (D-mate) | No of Shares (D-mate) | Total no. of Shares Holders | % of Share Holders | Total no. of Share | % of Share Holding |
|--------------------------|--------------------------------|-------------------------|-------------------------------|-----------------------|-----------------------------|--------------------|--------------------|--------------------|
| 1-500 | 1177 | 331700 | 480 | 112267* | 1657 | 83.7209 | 443967 | 5.59 |
| 501-1000 | 26 | 22300 | 89 | 79330 | 115 | 5.8140 | 101630 | 1.28 |
| 1001-2000 | 13 | 18300 | 64 | 97939 | 77 | 3.8928 | 116239 | 1.46 |
| 2001-3000 | 17 | 42100 | 22 | 55568 | 39 | 1.9717 | 97668 | 1.23 |
| 3001-4000 | 3 | 10900 | 16 | 59062 | 19 | 0.9606 | 69962 | 0.88 |
| 4001-5000 | 3 | 13700 | 13 | 61551 | 16 | 0.8089 | 75251 | 0.95 |
| 5001-10000 | 2 | 13900 | 18 | 134007 | 20 | 1.0111 | 147907 | 1.86 |
| 10001 & Above | 5 | 75300 | 31 | 6814586* | 36 | 1.8200 | 6889886 | 86.75 |
| Total | 1246 | 528200 | 733 | 7414310* | 1979 | 100.00 | 7942510 | 100.00 |

* Includes 18,69,910 Equity Shares allotted on 18/05/2011, consequent to amalgamation of Prerna Builders Ltd., Prerna Hospitals Pvt. Ltd., Prerna Stock Brokers Pvt. Ltd.

On the basis of Category [Post Amalgamation]

| Category | No of Shares Held | % to Total Shares Held |
|--------------------------|-------------------|------------------------|
| Individual | 1786706 | 22.49 |
| Private Corporate Bodies | 196594 | 2.47 |
| Promoters | 5945910* | 74.87 |
| Non resident Indians | 13300 | 0.17 |
| Total | 7942510* | 100.00 |

* Includes 18,69,910 Equity Shares allotted on 18/05/2011, consequent to amalgamation of Prerna Builders Ltd., Prerna Hospitals Pvt. Ltd., Prerna Stock Brokers Pvt. Ltd.

DEMATERIALISATION OF SHARES AND LIQUIDITY

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

During the year, the Company has electronically confirmed demat requests for 55600 equity shares. As on March 31, 2011, 91.30% of the total shares issued by the Company were held in dematerialised form.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

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

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

* **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

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

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

Outstanding GDRs/ADRs/Warrants or any convertible instrument as on 31st March-11 :
There were no outstanding GDRs/ADRs/Warrants or any convertible instrument as at end March-2011.

Plant Locations

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

Address for Correspondence

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

(1) 'PRERNA', Survey No 820/1, In Lane Of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Ahmedabad – 380058.

(2) Bigshare Services Private Limited
E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka Andheri (E), Mumbai - 400072.
Tel: 91-22-2847 0652 | 40430200| 2847 0653 Fax: 91-22-2847 5207
E-mail: marketing@bigshareonline.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Prerna Infrabuild Limited

We have examined the compliance of the conditions of corporate governance by Prerna Infrabuild Limited ("the Company") for the year ended on March 31, 2011, as stipulated in clause 49 of the listing agreements of the said company with relevant Bombay Stock Exchanges.

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

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

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

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

Place: Ahmedabad
Date : 30/05/2011

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

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

In accordance with Clause 49 1(D)(ii) of the Listing Agreement with the Bombay Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended March 31, 2011.

Place : Ahmedabad
Dated : 30/05/2011

For and behalf of Board of Directors

(Sanket Shah)
Managing Director

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Shri Vijay Shah, 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, 2011, 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)
Chairman & Managing Director

For Prerna Infrabuild Limited
Sanket Shah (CFO)
Managing Director

Ahmedabad
30/05/2011

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 2011 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) *Company has received the order of Ho'ble Gujarat High Court accepting the scheme of amalgamation in the nature of merger of Prerna Stockbrokers Pvt Ltd, Prerna Hospitals Pvt Ltd and Prerna Builders Ltd with Prerna Infrabuild Ltd at an appointed date 1st April, 2010. Accordingly balance sheet and profit and loss account is prepared after giving the effect of the order.*
- 5) 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 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
- 6) 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 2011 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

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

Place : AHMEDABAD
Date : 30/05/2011

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 shareholder of Rs.47.00 Lacs. The maximum amount involved during the year was Rs.47.00 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. 47.00 lacs. To the extent above company has accepted public deposit.*
7. As per explanation given to us company has an Internal Audit system commensurate with its size of the business.
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 Income-tax, Sales-tax, Wealth tax, Custom Duty, Excise Duty, Cess and other statutory dues whichever applicable have been generally regularly deposited with the appropriate authorities. However as per explanations given to us company is not covered under Provident Fund Act & Employees' State Insurance Act,

- b. According to the information and explanations given to us, no undisputed amounts is payable which is outstanding as at 31st March 2011 for a period of more than six months from the date of becoming payable except following:

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

- c. As per explanation given to us Company has received the demand notices for Asst Yr 2006-07 of Rs.7,00,919/- and for Asst Yr 2007-08 Rs.20,74,711/- from Income Tax Department, which the company has not accepted and applied for rectification of the same. Apart from above no disputed statutory dues 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

Proprietor
(Alpesh C Shah)
M.N. 105463

Place : Ahmedabad
Date : 30/05/2011

CASH FLOW STATEMENT FOR THE YEAR 2010-2011

| Particulars | 2010-2011 | | 2009-2010 | |
|---|--------------|--------------------|---------------|----------------|
| | Rs. | Rs. | Rs. | Rs. |
| Cash flows from operating activities: | | | | |
| Net Profit before taxation, and extraordinary items | | 10011990 | | (685,872) |
| <u>Adjustment for:</u> | | | | |
| Depreciation | 1569695 | | 913,749 | |
| Interest Expenses | 1856 | | 19,993 | |
| Amalgamation Exp W/off | 177905 | | | |
| Profit \ (Loss) on sale of Shares/MF | 8669152 | | (830,659) | |
| Dividend Income | 212568 | | (19,426) | |
| Fixed Deposit Interest Income | 6643200 | | (702,158) | |
| Profit on sale of Fixed assets | 5625611 | | 16,080 | |
| Loss on sale of F&O | 630807 | | | |
| Loss on sale of shares | 1918709 | | | |
| Loss from sale of Fixed Assets | 96456 | (16,755,103) | 168,824 | (433,597) |
| Operating Profit before working capital change | | (6,743,113) | | (1,119,469) |
| <u>Movement in working capital:</u> | | | | |
| Decrease/(Increase) in Inventories | | (29,952,107) | (2,068,435) | |
| Decrease/(Increase) in Sundry Debtors | | (53,211) | 0 | |
| Decrease/(Increase) in loans & advances | | 1,908,969 | 2,363,574 | |
| Increase/(Decrease) in Sundry Creditors | | 100,496,201 | (47,918) | 247,221 |
| Cash generated from operation | | 65,656,739 | | (872,248) |
| Income Tax and FBT Paid | | | | (16,080) |
| Net cash from operating activities | | 65,656,739 | | (888,328) |
| Cash flows from investing activities: | | | | |
| Sale of Shares & Mutual Fund | 243999094 | | 106,835,067 | |
| Purchase of Shares & Mutual Fund | (88,802,875) | | (138,867,339) | |
| Interest Income | 6643200 | | 702,158 | |
| Dividend | 212568 | | 19,426 | |
| Sale of Fixed Assets | 10609958 | | 175,000 | |
| Purchase of fixed asset | (24,554,034) | | (6,326,092) | |
| Accumulated reserves of transferors | 18226629 | | | |
| Amalgamation Exp | (889,527) | | | |
| Net cash from investing activities | | 165,445,013 | | (37,461,780) |
| Cash flows from financing activities: | | | | |
| Decrease in share capital | (40,010,050) | | | |
| Loan taken | 8600000 | | 0 | |
| Loan repayment | (4,550,000) | | (10,155,786) | |
| Interest paid | (1,856) | | (19,993) | |
| Unsecured loan taken/recovered | | | 15,209,670 | |
| Unsecured loan repaid/given | | | (53,964,793) | |
| Net cash from financing activities | | (35,961,906) | | (48,930,902) |
| Net increase in cash and cash equivalents | | 195,139,846 | | (87,281,010) |
| Cash and cash equivalents at beginning of period | | 1396298 | | 88,235,186 |
| Cash and cash equivalent at end of period (after merging) | | 196,536,144 | | 954,176 |
| Components of Cash and Cash Equivalents as at: | | 31-03-2011 | | 31/03/2010 |
| Cash on hand | | 3825 | | 41,475 |
| Balance with Banks: | | | | |
| - On current account | | 232319 | | 912,701 |
| - On deposit account | | 196300000 | | 0 |
| | | 196,536,144 | | 954,176 |
| | | 0 | | 0 |

Notes:

(1) Cash and cash equivalents at the end of the year represent cash at bank and deposits with bank.

(2) Cash flow of previous year is relating to Prerna Infrabuild Ltd only. Hence same is not comparable.

(3) The figures of the previous year have been regrouped/reclassified, wherever necessary, in conformity with the classification of the current year.

As per our report of even date.

For, Alpesh Shah & Co.

Chartered Accountant

ICAI Firm Reg No 128461W

Alpesh C Shah
(Proprietor)
M.N.105463Vijay C. Shah
Sanket V. Shah
Nalini V. ShahChairman & Managing Director
Managing Director
DirectorPlace : Ahmedabad
Date : 30/05/2011Place : Ahmedabad
Date : 30/05/2011

BALANCE SHEET AS AT 31st MARCH 2011

| Particulars | Schedule | | As on 31-Mar-11 Rs. | | As on 31-Mar-10 Rs. |
|---|----------|-------------|---------------------------|-------------|---------------------------|
| Share Holder's Fund | | | | | |
| Share Capital | 1 | 79,425,100 | | 68,861,050 | |
| Reserves & Surplus | 2 | 106,126,529 | 185,551,629 | 116,110,258 | 184,971,308 |
| Loan Funds | | | | | |
| Secured Loans | | 0 | | - | |
| Unsecured Loans | 3 | 4,700,000 | 4,700,000 | 650,000 | 650,000 |
| Deferred Tax Liabilities (Net) | 4 | | 514,492 | | 628,833 |
| Total : | | | 190,766,121 | | 186,250,141 |
| Fixed Assets | 5 | | | | |
| Gross Block | | 60,627,891 | | 50,814,835 | |
| Less : Depreciation | | 5,823,349 | | 13,913,829 | |
| Net Block | | | 54,804,542 | | 36,901,006 |
| Investment | 6 | | 814,298 | | 149,890,881 |
| Current Assets, Loans & Advances | | | | | |
| A) Stock in hand | 7 | 32,020,542 | | 2,068,435 | |
| A) Sundry Debtors | 8 | 75,545 | | 22,334 | |
| B) Cash & Bank Balances | 9 | 196,536,144 | | 1,396,298 | |
| C) Loans & Advances | 10 | 9,909,136 | | 11,818,105 | |
| | | 238,541,367 | | 15,305,172 | |
| Less : Current Liabilities & Provisions | 11 | 104,105,708 | 134,435,659 | 15,846,918 | (541,746) |
| Net Current Assets | | | | | |
| Misc Exp to the extent not w/off Expenses relating to Amalgamation | 12 | | 711,622 | | |
| Total : | | | 190,766,121 | | 186,250,141 |
| Notes on Accounts | 21 | | 0 | | (0) |

As per our report of even date.

For, Alpesh Shah & Co.
Chartered Accountant
ICAI Firm Reg No 128461W

Alpesh C Shah
(Proprietor)
M.N.105463

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

Place : Ahmedabad
Date : 30/05/2011

Place : Ahmedabad
Date : 30/05/2011

PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

| Particulars | Schedule | | As on 31-Mar-11 Rs. | As on 31-Mar-10 Rs. |
|---|----------|--|---------------------------|---------------------------|
| <u>INCOME:</u> | | | | |
| Sales | 13 | | 20,276,910 | 8,025,147 |
| Other Income | 14 | | 22,991,505 | 14,090,923 |
| Increase in Stock | 15 | | 30,991,207 | 2,068,435 |
| TOTAL | | | 74,259,622 | 24,184,505 |
| <u>EXPENDITURE:</u> | | | | |
| Purchase | 16 | | 39,609,240 | 10,070,695 |
| Direct Expenses | 17 | | 1,790,845 | 95,000 |
| Salaries, Wages & Other Benefits | 18 | | 8,524,184 | 7,118,424 |
| Administrative and General Exps. | 19 | | 12,751,812 | 5,289,896 |
| Interest | 20 | | 1,856 | 27,543 |
| Depreciation | | | 1,569,695 | 1,684,710 |
| TOTAL | | | 64,247,631 | 24,286,268 |
| Profit Before Taxation and Exceptional Items | | | 10,011,990 | (101,762) |
| Taxation for the year | | | | |
| - Deferred Tax Credit | | | (114,341) | (164,074) |
| - Current Tax | | | 2,000,000 | 365,000 |
| - Previous years | | | 1,084,321 | - |
| Profit after Taxation and before Exceptional Items | | | 7,042,011 | (302,688) |
| Prior-period Adjustments | | | - | 143,368 |
| Profit after Taxation | | | 7,042,011 | (159,320) |
| Proposed Dividend | | | 5,559,757 | |
| Tax on Proposed Dividend | | | 901,932 | |
| Profit after Dividend and tax | | | 580,322 | |
| Balance brought forward from previous year | | | 15,085,333 | 15,244,653 |
| Balance Carried to Balance Sheet | | | 15,665,655 | 15,085,333 |
| Earning per share (Basic & Diluted) (FV of Rs.10/-) | | | 0.89 | (0.02) |
| Notes on Accounts | 21 | | | |

As per our report of even date.

For, Alpesh Shah & Co.
Chartered Accountant
ICAI Firm Reg No 128461W

Alpesh C Shah
(Proprietor)
M.N.105463

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

Place : Ahmedabad
Date : 30/05/2011

Place : Ahmedabad
Date : 30/05/2011

Schedule Forming Part of the Balance Sheet

| Particulars | As at 31-Mar-11 Rs. | As at 31-Mar-10 Rs. |
|---|---------------------------|---------------------------|
| Schedule : 1 : Share Capital : | | |
| Authorised Share Capital | | |
| 8000000 Equity Shares of Rs.10/- each | 80,000,000 | 162500000 |
| Issued, Subscribed & Paid up Capital | | |
| 60,72,600 Fully paid up Equity Shares of Rs. 10/- each | 60,726,000 | 68,861,050 |
| 18,69,910 Equity shares of Rs.10/- fully paid up issued to the shareholders of the transferor company in terms of High Court order. Date of Allotment:18/05/2011 | 18,699,100 | - |
| Total : | 79,425,100 | 68,861,050 |
| Schedule : 2 : Reserve & Surplus : | | |
| Balance in profit and loss account | 15665655 | 18,841,805 |
| Profit & loss of transferor companies | 9036067 | 7,268,453 |
| Revaluation Reserve | 53778 | - |
| General Reserves of transferor companies | 91935079 | 31,875,000 |
| Less : Excess of assets over liab. | (10,564,050) | - |
| Share Premium Accounts | - | 58,125,000 |
| Total : | 106,126,529 | 116,110,258 |
| Schedule : 3 : Unsecured Loans : | | |
| Loan from | | |
| - Shareholders # | 4700000 | 650,000 |
| - Companies # | 0 | - |
| Total : | 4,700,000 | 650,000 |
| (Maximum balance outstanding during the year Rs.4700000) | | |
| Schedule : 4 : Deferred Tax Liabilities/ Assets (Net) : | | |
| Deferred Tax Liabilities | 1121593 | 944,688 |
| Less:Deferred tax assets | 607101 | 315,855 |
| Total : | 514,492 | 628,833 |

Schedule : 5 : Fixed Assets:

(in Rupees)

| Description | | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | | |
|-------------------------|-------|--------------------|----------------------------|------------------|--------------------|--------------------|--------------------------|----------------------|--------------------|--------------------|--------------------|
| | | As on 01-Apr-10 | Addition during ment | Sales Adjust- | As on 31-Mar-11 | As on 01-Apr-10 | For the year ments | Deduction Adjust- | As on 31-Mar-11 | As on 31-Mar-11 | As on 31-Mar-10 |
| Office A/c. | 5 | 368646 | -- | -- | 368.646 | 4,545 | 18,205 | 0 | 22,750 | 345,896 | 364,101 |
| Motor Car | 25.89 | 5,278,216 | 3,929,087 | | 9,207,303 | 3,547,530 | 1,030,919 | | 4,578,449 | 4,628,854 | 1,730,686 |
| Computer | 40 | 292,324 | 81,585 | | 373,909 | 222,778 | 47,022 | 0 | 269,800 | 104,109 | 69,546 |
| Two Wheeler | 25.89 | 95,520 | 0 | | 95,520 | 66,072 | 7,624 | 0 | 73,696 | 21,824 | 29,448 |
| Plant and Machinery | 13.91 | 1,004,668 | 142,433 | | 1,147,101 | 320,912 | 111,105 | 0 | 432,017 | 715,084 | 683,756 |
| Furniture and Fixtures | 18.1 | 770,005 | 1,398,227 | 336,127 | 1,832,105 | 146,489 | 346,854 | 54,672 | 438,671 | 1,393,434 | 623,516 |
| Jakhwada Land | | 5,044,000 | - | - | - | - | - | - | - | - | - |
| Sanand Land (Note 1) | | 1,404,703 | - | - | - | - | - | - | - | - | - |
| Andej Land (Note 1) | | 17,286,260 | 18,518,870 | | 35,805,130 | 0 | | 0 | 0 | 35,805,130 | 17,286,260 |
| Cellar at Prerna Arbour | | 235,000 | | | 235,000 | 0 | | 0 | 0 | 235,000 | 235,000 |
| Building A/c. | | | 6,598,732 | 3,979,389 | 2,619,343 | | | | 0 | 2,619,343 | 0 |
| Safe Vault | 13.91 | | 57,271 | | 57,271 | | 7,966 | | 7,966 | 49,305 | 0 |
| Prerna Shikhar Office | | | 1,931,567 | | 1,931,567 | | | | 0 | 1,931,567 | 0 |
| Prerna Viraj-II Office | | | 506,293 | | 506,293 | | | | 0 | 506,293 | 0 |
| Total 31-3-2011 | | 31,779,342 | 33,164,065 | 4,315,516 | 54,179,188 | 4,308,326 | 1,569,695 | 54,672 | 5,823,349 | 48,355,839 | 21,022,313 |
| Total 31-3-2010 | | 22,609,590 | 3,378,016 | 0 | 25,987,606 | 2,478,209 | 1,106,900 | 0 | 3,585,109 | 22,402,497 | 22,131,381 |

NOTE : 1 The company acquired agriculture land in the name of directors and their relatives and NA applications are made to transfer in the name of the company except few servey numbers of Andej Land where company is in the process of applying for NA.

| Particulars | | As at 31-Mar-11 Rs. | As at 31-Mar10 Rs. |
|--|--|---------------------------|--------------------------|
| Schedule : 6 : Investment : | | | |
| Long term (At Cost) | | | |
| <u>Investment in Shares (Quoted) -</u> | | | |
| Prev Yr (No of shares) | | | |
| 17915 | 3000 shares of United Brew. Holding Ltd of Rs.10/- each fully paid up | 814,298 | 5,091,999 |
| 105000 | Nil, Shares of NHPC Ltd Rs.10 each fully paid . | | 3,349,259 |
| <u>Investment in Mutual Fund -</u> | | | |
| Prev Yr (Units) Un Quoted: | | | |
| 804498.416 | Nil Units of Rs.10/- each of DWS Cash Opportunity Fund | 0 | 9,500,000 |
| 1412286.012 | Nil Units of Rs.10/- each of Fidelity Ultra Short Term Debt Fund | 0 | 16,000,000 |
| 476859.495 | Nil units IDFC Money Manager Fund -Tre Plan Growth | 0 | 6,949,159 |
| 550637.469 | Nil Units of Rs.10/- each of LIC Fixed Maturity Plan | 0 | 13,500,000 |
| 2317926.837 | Nil HDFC Cash Mang. Fund-Tre Fund Retail of Rs.10/- each | | 45424705 |
| 412723.059 | Nil Kotak Flexidebt Long Term Growth of Rs.10/- each | | 5825000 |
| 1699166.279 | Nil units of Reliance Medium Term Growth of Rs.10/- each | | 24177128 |
| 319495.717 | Nil units of Reliance Medium Term fund of Rs.10/- each | | 5461939 |
| 786139.034 | Nil Units of Reliance Medium Term Retail Growth of Rs.10/- each | - | 14,611,692 |
| | Total : | 814,298 | 141,449,623 |
| | Quoted Investment aggregate - Cost | 814298 | 3,349,259 |
| | Quoted Investment aggregate - Market Value | 558000 | 3,197,250 |
| Schedule : 7 : Stock in hand: | | | |
| (As taken, valued and certified by the management) | | | |
| | Prerna Aura Work in progress | 32020542 | - |
| | Stock of furniture | - | 2,068,435 |
| | Total : | 32,020,542 | 2,068,435 |
| Schedule : 8 : Sundry Debtors : | | | |
| (Unsecured, Considered good) | | | |
| | Over Six Months | 75545 | 22,334 |
| | Others | - | - |
| | Total : | 75,545 | 22,334 |

| Particulars | | As at 31-Mar-11 Rs. | | As at 31-Mar10 Rs. |
|--|-----------|---------------------------|-----------|--------------------------|
| Schedule : 9 : Cash & Bank Balances : | | | | |
| Cash on Hand | | 3825 | | 48,498 |
| Bank Balances : | | | | |
| (i) Balance With Scheduled Banks | | | | |
| - in current accounts | 205429 | | 890,859 | |
| - in fixed deposits accounts | | 205,429 | | 890,859 |
| (ii) Balance with Other Banks | | | | |
| - in current accounts* | 26890 | | 456,941 | |
| - in fixed deposits accounts | 196300000 | | - | |
| | | 196326890 | - | 456,941 |
| Total : | | 196,536,144 | | 1,396,298 |
| Schedule : 10 : Loans & Advances : | | | | |
| (Unsecured, Considered good) | | | | |
| (i) Loan from Employees | | | | 22,000 |
| (ii) Advances recoverable in Cash or kind or for value to be received # | | 1400000 | | - |
| (iii) Advance for purchase of property | | - | | 15000 |
| (Company in which directors & relative are interested RS.940000, Pre. Yr. Rs.Nil) | | | | |
| (iv) Advance tax And TDS | | 5809020 | | 11,195,152 |
| (v) Advance to Others | | 0 | | 518,777 |
| (vi) Deposits | | 48250 | | 8,250 |
| (vii) Prepaid Exp | | 93580 | | 58,926 |
| (viii) Accrued Intt on FD | | 2558286 | | - |
| Total : | | 9,909,136 | | 11,818,105 |
| # Advance to company in which directors are interested. Maximum amount due from it during the year | | - | | 1,450,000 |
| Schedule : 11 : Current Liabilities & Provisions : | | | | |
| Current Liabilities | | | | |
| Sundry Creditors for Goods and Exps. | 2033597 | | 2,795,280 | |
| Advance from Customers | 86017887 | | 105,000 | |
| TDS Payable | 22060 | | 339 | |
| Advance rent of locker | 237875 | | - | |
| Liabilities for Expenses | - | | 35,824 | |
| Deposit toward Rents | - | | 54,000 | |
| Advance against sale of FA | 2500000 | | - | |
| Security Deposit of lockers | 3473173 | | 3,475,923 | |
| Proposed dividend inclusive of Dividend Tax | 6461689 | | - | |
| Bank of Maharashtra Overdraft a/c. | 629427 | 101375708 | - | 6,466,366 |
| Provisions | | | | |
| Provision for Taxation (F.Y.2004-05) | 0 | | 15,902 | |
| Provision for Taxation (F.Y.2006-07) | 0 | | 3,055,000 | |
| Provision for Taxation (F.Y.2007-08) | 0 | | 4,832,300 | |
| Provision for Taxation (F.Y.2008-09) | 555000 | | 872,000 | |
| Provision for Taxation (F.Y.2009-10) | 100000 | | 385,000 | |
| Provision for Taxation (F.Y.2010-11) | 2000000 | 2655000 | - | 9,160,202 |
| FBT Provision | | | | |
| FBT Provision for Taxation (F.Y.2007-08) | 0 | | 145,250 | |
| FBT Provision for Taxation (F.Y.2008-09) | 75000 | 75000 | 75,100 | 220,350 |
| Total : | | 104,105,708 | | 15,846,918 |

| Particulars | | As at 31-Mar-11 Rs. | | As at 31-Mar10 Rs. |
|---|----------------|---------------------------|----------------|--------------------------|
| Schedule 12: Expenses relating to Amalgamation | | | | |
| Advertisement Exp | | 219847 | | - |
| Legal Fees | | 211950 | | - |
| ROC for increase in capital | | 457730 | | - |
| | | 889527 | | |
| Less: Written off | | 177905 | | - |
| | Total : | 711,622 | | - |
| Schedule : 13 : Sales : | | | | |
| Sale of plots of land | | 18592439 | | - |
| Sale of Furniture Trade | | - | | 2,160,900 |
| Land development rights (Net) | | - | | 3,925,000 |
| Lockers Rent | | 1141139 | | 699,459 |
| Service Charges on maintenance of complexes | | 543332 | | 1,239,788 |
| | Total : | 20,276,910 | Total : | 8,025,147 |
| Schedule : 14 : Other Income : | | | | |
| Dividend from Companies & Mutual Fund | | 212568 | | 232,515 |
| Interest on FDs with Banks | | 6643200 | | 574,677 |
| Misc. Income | | 106412 | | 50,500 |
| Other Interest | | 561 | | 2,602,302 |
| Profit on sale of Shares & MF without STT | | 8359624 | | 7,718,084 |
| Profit on sale of Shares & MF with STT | | 309528 | | 317,320 |
| Rent from Properties | | 134000 | | 833,000 |
| Profit on sale of FA | | 5625611 | | 1,237,013 |
| Damages received | | 1400000 | | - |
| N.H maintance | | 200000 | | - |
| Speculation Income | | | | 525,512 |
| | Total : | 22,991,505 | Total : | 14,090,923 |
| Schedule : 15 : Increase in Stock : | | | | |
| Closing stock of furniture | | - | | 2,068,435 |
| Closing stock of WIP | | 32020542 | | - |
| | Total : | 32020542 | | 2068435 |
| Less : opening stock of Furniture stock | | 2068435 | | - |
| Transferred to FA | | 1039100 | | - |
| | Total : | 1029335 | | - |
| | Total : | 30,991,207 | Total : | 2,068,435 |
| Schedule : 16 : Purchase : | | | | |
| Purchase of Furniture | | - | | 4229335 |
| Purchase Accounts-Works | | 30945538 | | - |
| Land of Arnika Projects | | 8663702 | | - |
| Purchahse of shares | | | | 5841360 |
| | Total : | 39609240 | Total : | 10070695 |
| Schedule : 17 : Direct Expenses : | | | | |
| VAT | | - | | 25,000 |
| Labour & Supervision charges | | 396000 | | - |
| Prerna Aura Works Exp | | 1267322 | | - |
| Steel Wire Fencing Exp. | | - | | 70,000 |
| Site Maintenance Exp | | 127523 | | - |
| | Total : | 1,790,845 | Total : | 95,000 |

| Particulars | As at 31-Mar-11 Rs. | As at 31-Mar10 Rs. |
|--|---------------------------|--------------------------|
| Schedule : 18 : Salary, Wages & Other Benefits : | | |
| Director's Remuneration | 2115000 | 1,620,000 |
| Salary | 5348844 | 5,156,352 |
| Bonus | 601673 | 312,281 |
| Leave Salary | 288167 | 29,791 |
| Staff Welfare | 170500 | - |
| Total : | 8,524,184 | 7,118,424 |
| Schedule : 19 : Administrative and General Expenses : | | |
| Advertisement Exps. | 330673 | 188,998 |
| Audit Fees | 110300 | 97,500 |
| Building Maintenance Exps. | 128643 | 103,824 |
| Electricity Expenses | 487006 | 490,209 |
| Insurance Premium Expenses | 155282 | 115,992 |
| Listing Fees | 60749 | 50,715 |
| Municipal Taxes | 3554 | 188,455 |
| Office Maintenance Exps. | 394442 | 165,749 |
| Office renovation Exp. | 2899136 | - |
| Petrol and Conveyance | 285252 | 3,131 |
| Car Petrol Exps. | 126379 | 154,093 |
| Postage Exps. | 138527 | 891 |
| Printing and Stationery Exps. | 77820 | 8,154 |
| Professional and Legal Fees | 720326 | 197,954 |
| Repairs and Maintenance - Car | 11893 | 5,760 |
| Repairs and Maintenance - Other | 569244 | 100,474 |
| Security Exps. | 737500 | 235,899 |
| STT on mutual fund | - | 4,180 |
| Service tax penalty | - | 1,220 |
| Telephone Expenses | 280500 | 136,924 |
| Traveling Expenses-Directors | 140867 | 97,826 |
| Bank Charges | 18311 | 29,622 |
| Miscellaneous Expenses | 53 | 32,181 |
| Foreign Travelling-Directors | - | 97,566 |
| Loss on sale of Fixed assets | 96456 | 168,824 |
| Loss on Sale F & O | 630807 | 1,847,590 |
| Loss on Sale of Share | 1918709 | 315,698 |
| Apeal fees | 500 | - |
| Break open of Safe Vault | 31340 | - |
| Brokerage & Commssion | 1883650 | 333,334 |
| Demate Exp. | 8483 | 4,069 |
| FBT tax | 101664 | - |
| Membership Fees | 1654 | 662 |
| STT & other charges on F&O and trading | 15781 | 8,854 |
| STT & other charges on shares | 32951 | 46,399 |
| Service Tax & Other Charges | 10039 | 387 |
| Stamps for lockers | 31111 | - |
| Tender Exp. | 1030 | - |
| ROC fees | 14500 | 32,000 |
| Amalganation Exp. w/off | 177905 | - |
| Sundry balance w/off | 118777 | - |
| Speculation Loss | - | 5,961 |
| Transport Charges | - | 18,800 |
| Total : | 12,751,812 | 5,289,896 |
| Schedule : 20 : Interest: | | |
| Interest on Car Loan | - | 3,913 |
| Interest on Fringe Benefit Tax / TDS | 127 | 16,080 |
| Interest to Others | 527 | 7,550 |
| Bank Interest | 1202 | - |
| Total : | 1,856 | 27,543 |

SCHEDULE : 21 : NOTES FORMING PART OF ACCOUNTS AS ON 31.03.2011
I. SIGNIFICANT ACCOUNTING POLICIES
1 BASIS OF ACCOUNTING:

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

2 FIXED ASSETS & DEPRECIATION:

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

3 INVESTMENTS:

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

4 REVENUE RECOGNISATION:

- (a) Company is in the business of construction activity. The revenue from construction contract is recognised on percentage of completion method. Regarding the sale of plot is concerned, the revenue is generated when the right on property is passed to the customer.
- (b) Rent on Safe Vault is recognised on accrual basis.
- (c) Interest income is recognised on accrual basis.
- (d) Dividend income is recognised when the right to receive the dividend is established.
- (e) The realised gains or losses on mutual fund unit is the difference between the net sale consideration and the cost in the books of the company.

5 RETIREMENT BENEFITS:

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

6 TAXATION

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

7 PROVISION:

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

8 CONTINGENT LIABILITIES / ASSETS

The company has provided for all known liabilities and subject to the income tax liability as stated in para 9 of CARO, as of balance sheet date there are no contingent liabilities. The contingent assets are neither recognised nor disclosed in the Financial Statements.

II AMALGAMATION IN THE NATURE OF MERGER OF PRERNA HOSPITALS PVT LTD, PRERNA STOCKBROKERS PVT LTD AND PRERNA BUILDERS LTD WITH PRERNA INFRABUILD LTD

- I In the matter of amalgamation of Prerna Hospitals Pvt Ltd, Prerna Builders Ltd. and Prerna Stockbrokers Pvt. Ltd. with Prerna Infrabuild Ltd, Company has received the order of Hon'ble Gujarat High Court Dt.15 th April, 2011. The appointed date was 1st April, 2010. According to the above order (i) all the properties, rights and powers of the transferor companies shall pursuant to section 394(2) of the Companies Act ,1956 be transferred to and vest in the Prerna Infrabuild Ltd. for all the estate and interest of the transferor companies (ii) all the liabilities and duties of the transferor companies be transferred subject to Section 394(2) of the Companies Act,1956 be transferred to and become the liabilities and duties of Prerna Infrabuild Ltd. (iii) that all the proceedings now pending by or against the transferor company be continued by or against the Prerna Infrabuild Ltd.

- I As required by the Accounting Standard 14 relating to Accounting for Amalgamation, following disclosure is made:
- a. Names and general nature of business of amalgamating companies:
 - i Prerna Hospitals Pvt Ltd: having the business of hospitals.
 - ii Prerna Builders Ltd: having the business of Construction and real estates..
 - iii Prerna Stockbrokers Pvt Ltd: having the business of safe vault.
 - b. Effective Date of Amalgamation: The effective date of amalgamation is 19/05/2011
 - c. Method of accounting used : AS the amalgamation is in the nature of merger, transferee company have followed the pooling interest method of accounting.
 - d. Particulars of the scheme sanctioned :
 - i All assets, debts, liabilities, duties, obligations and the entire undertaking of the transferor company as on appointed date shall be the assets and liabilities of transferee company.
 - ii That in consideration of the above transfer, the transferee company shall allot :
 - 22 (twenty two) Equity shares of Rs.10/- each in the Transferee Company credited as fully paid up with rights attached thereto as hereinafter mentioned (hereinafter referred to as " New Equity Shares") in respect of every one Equity Shares of rs. 10/- each fully paid - up held by such member in the capital of the First Transferor Company viz. Prerna Builders Limited.
 - iii 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid - up with rights attached thereto as hereinafter mentioned (hereinafter referred to as " New Equity Shares ") in respect of every one Equity Shares of Rs. 10/- each fully paid - up held by such member in the capital of the Second Transferor Company viz. Prerna Hospitals Private Limited.
 - iv 1 (One) Equity Share of Rs. 10/- each in the Transferee Company credited as fully paid - up with rights attached thereto as hereinafter mentioned (hereinafter referred to as " New Equity Shares ") in respect of every one Equity Shares of Rs. 10/- each fully paid - up held by such member in the capital of the Second Transferor Company viz. Prerna StockBrokers Private Limited.
 - v No fractions are arising due to the above Exchange Ratio.
 - vi The new Equity Shares of the Transferee Company to be issued and allotted in lieu of the Equity Shares of the Transferor Company, shall rank pari passu in all respect with the Equity Sahres of the Transferee Company save and except that the new Equity Shares shall be entitled to dividend with effect from the Appointed Date.
 - vii On the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 391 of the Act, it Shall be deemed that the said members have Iso accorded all relevant consents under Section 81 (1-A) of the Act or any other provisions of the Act to the etent the same may be considered applicable.
 - viii For the purpose as aforesaid the Transferee Company shall, if and to the extent required, increase its Authorised Capital after the Scheme has been sanctioned by the High Court but before the issue and allotment of shares. It shall also, if and to the extent required, apply for and obtain the requisite approvals including that of SEBI, Reserve Bank of India and other appropriate authorities concerned for issue and allotment by the Transferee Company to the respective members of the Transferor Company of the Equity shares in the said re-organized share capital of the Transferee company in the ratio as aforesaid.
 - ix Upon issuance and allotment of the Equity Shares by the Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Company shall automatically stand cancelled / extinguished.
 - x The total consideration payable as per the exchange ratio to the shareholders of the Transferor companies, taken together is Rs18699100 against their share capital of Rs. 8135050. The resultant amount of Rs. 10564050 is adjusted towards the Revenue Reserves of the Transferor companies.

II. OTHER NOTES :-

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

| | <u>2010-11 (Rs.)</u> | <u>2009-10 (Rs.)</u> |
|-----------------------------|-------------------------|-------------------------|
| (iii) Director's Traveling | 140,867 | 151,372 |
| (iv) Directors Remuneration | | |
| Salaries | 2,115,000 | 1,620,000 |
| Bonus | 176,250 | 135,000 |
| | <u>2,291,250</u> | <u>1,755,000</u> |

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

| | 2010-11 (Rs.) | 2009-10 (Rs.) |
|---|---------------|--|
| Net Profit before tax | 10,011,990 | (685,872) |
| Add : Directors Remuneration | 2,291,250 | 1,755,000 |
| Depreciation as per books | 1,569,695 | 913,749 |
| Loss on sale of Fixed assets | 96,456 | 2,668,749 |
| Loss on Sale F & O | 630,807 | |
| Loss on Sale of Share | 1,918,709 | 6,506,917 |
| | 16,518,907 | 1,982,877 |
| Less: Profit on sale of Shares & MF without STT | 8359624 | |
| Profit on sale of Shares & MF with STT | 309528 | 830659 |
| Depreciation u/s. 350 | 1,569,695 | 913,749 |
| | 10,238,847 | 1,744,408 |
| Net Profit for Section 198 of the Companies Act, 1956 | 6,280,060 | 238,469 |
| Commission to Directors | NIL | NIL |
| Remuneration to whole time director | 2,291,250 | 1,755,000 |
| Remuneration to non-whole time director | NIL | NIL |
| (v) Payment to Auditors: (Inclusive of Service Tax) | | |
| As Audit fees | 82,725 | 82,500 |
| As Tax Audit fees | 27,575 | 7,500 |
| Other Taxation matters | 0 | 0 |
| (vi) Expenditure in foreign currency : Travelling expenses | | 94,566 |
| (vii) Details of items 4C of Part II Schedule VI are not applicable. | | |
| (viii) There are no dues towards S.S.I. | | |
| (ix) The disclosure of the quantitative details of sales, purchase, opening stock and closing stock is not applicable as the company is neither engaged in trading nor in manufacturing activity during the year. | | |
| (x) Related Party disclosure: | | |
| a) List of Related Parties and relationships | | |
| A. Key Management Personnel | | |
| - Vijay C. Shah | | Chairman & Managing Director |
| - Sanket V. Shah | | Managing Director |
| - Nalini V. Shah | | Wholetime Director |
| - Swetal C. Parikh | | Finance Head transferred from one of the transferor company. |
| B. Relatives of Key Management Personnel | | |
| - Sanket V. Shah (HUF) | | HUF of Mr. S.V. Shah |
| - Vijay C. Shah (HUF) | | HUF of Mr. V.C. Shah |
| - Chandulal D. Varia | | Father of Mr. V. C. Shah |
| - Niyati S. Shah | | Spouse of Mr. S.V. Shah |
| - Chandulal D. Varia(HUF) | | HUF of Father of Mr. V. C. Shah |

b) Disclosure required for related parties transactions.

| Transactions | Enterprises over which significant influence by Directors and Key Management Personnel | Key Management Personnel | Relative of Key Management Personnel |
|---|--|--------------------------|--------------------------------------|
| (1) Transactions during the period | | | |
| Loan taken | | | |
| - Vijay C. Shah(HUF) | | | 450,000 |
| - C. D. Variya (HUF) | | | 1,150,000 |
| - C. D. Variya | | | 4,225,000 |
| Loan given / Repaid | | | |
| - C. D. Variya | | 8,925,000 | |
| - Vijay C Shah (HUF) | | 450,000 | |
| - C. D. Variya (HUF) | | 1,150,000 | |
| Commission paid | | | |
| Sanket V. Shah (HUF) | | | 400,000 |
| Salary to: | | | |
| Niyati S. Shah | | | 585,000 |
| Chandulal D. Variya | | | 234,000 |
| Remuneration to Directors: | | | |
| Vijay C. Shah | | 763,750 | |
| Sanket V. Shah | | 763,750 | |
| Nalini V. Shah | | 763,750 | |
| Swetal C. Parikh | | 585,000 | |
| Amount outstanding as at Balance Sheet date | | | |
| <u>Loan taken/ Repaid :</u> | | | |
| - Vijay C. Shah | | Nil | |
| - Nalini V. Shah | | Nil | |
| - Niyati S. Shah | | | Nil |
| - Vijay C. Shah(HUF) | | | Nil |
| - Chandulal D. Variya | | | 4,700,000 |
| - Sanket V. Shah | | Nil | |
| - Swetal C Parikh | | Nil | |

(xi) Earning Per Share has been computed as under :

| | 2010-11 | 2009-10 |
|---|----------------|----------------|
| Net Profit after tax | 7,042,011 | (159,320) |
| Weighted average number of Equity shares of Rs. 10/- each outstanding | 7,942,510 | 6,886,105 |
| Basic and Diluted Earning Per Share | 0.89 | (0.02) |

As per our report of even date.

For, Alpesh Shah & Co.
Chartered Accountant
ICAI Firm Reg No 128461W

Alpesh C Shah
(Proprietor)
M.N.105463

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

Place : Ahmedabad
Date : 30/05/2011

Place : Ahmedabad
Date : 30/05/2011

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

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :

Registration No. L65990GJ1988PLC010570 State Code: 04
 Balance Sheet Date : 31.03.2011

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

| | | | |
|--------------|-----|------------------|-----|
| Public Issue | NIL | Right Issue | NIL |
| Bonus Issue | NIL | Private Placemnt | NIL |

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

| | | | |
|-------------------|--------|----------------|--------|
| Total Liabilities | 190745 | Total Assets * | 190745 |
|-------------------|--------|----------------|--------|

Source of Funds

| | | | |
|------------------------|-------|--------------------|--------|
| Paid up Capital | 79425 | Reserves & Surplus | 106105 |
| Secured Loans | 0 | Unsecured Loans | 4700 |
| Deferred tax Liability | 514 | | |

Application of Funds:

| | | | |
|---------------------|--------|---------------------------|-----|
| Net Fixed Assets | 54804 | Investments | 814 |
| Net Current Assets | 134414 | Miscellaneous Expenditure | 712 |
| Deferred tax assets | 0 | | |

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

| | | | |
|--------------------------|-------|-------------------------|-------|
| Turnover ** | 20277 | Total Expenditure | 64247 |
| Profit/(Loss) before tax | 10012 | Profit/(Loss) after tax | 7042 |
| Earning par share (Rs.) | 1.16 | Dividend Rate (%) | 7 |

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

Item Code No: Not Applicable

Product Description : Not Applicable

As per our report of even date.

For, Alpesh Shah & Co.
 Chartered Accountant
 ICAI Firm Reg No 128461W

Alpesh C Shah
 (Proprietor)
 M.N.105463

| | |
|----------------|------------------------------|
| Vijay C. Shah | Chairman & Managing Director |
| Sanket V. Shah | Managing Director |
| Nalini V. Shah | Director |

Place : Ahmedabad
 Date : 30/05/2011

Place : Ahmedabad
 Date : 30/05/2011





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 23rd Annual General Meeting of the company to be held on Tuesday, 27th September, 2011 at 10.00 a.m. at "Prerna",
 Survey No.820/1, Makarba, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Ahmedabad-380 058 and at
 any adjournment thereof.

Signed this day of 2011

NOTE :

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

Prerna Infrabuild Limited

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

ATTENDANCE SLIP

23th 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 23th Annual General Meeting of the Company to be held on Tuesday, 27th September, 2011 at 10.00 a.m. at "Prerna", Survey No.820/1, Makarba, In Lane of Panchvati Auto, Opp. Anand Dham Derasar, S. G. Road, Ahmedabad-380 058.

Name of the member / proxy

 (in BLOCK letters)

.....
 Signature of member / proxy

Note :

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

PRERNA INFRABUILD LIMITED.

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

Alpesh C Shah
(Proprietor)
M.N.105463

Place : Ahmedabad
Date : 30/05/2011

Vijay C. Shah
Sanket V. Shah
Nalini V. Shah

Chairman & Managing Director
Managing Director
Director

Place : Ahmedabad
Date : 30/05/2011

