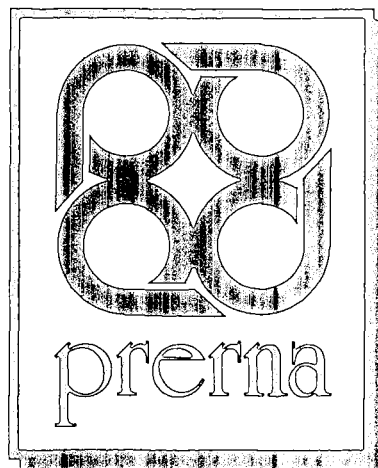


20th
ANNUAL
REPORT
2007-08



PRERNA Infrabuild Ltd.



CORPORATION INFORMATION

Board of Directors

Chairman Vijay C. Shah

Wholetime Director Naliniben V. Shah

Wholetime Director Finance Sanket V. Shah
Swetal C. Parikh
Dinesh Kamdar
Kiranbhai Shah

Audit Committee

Chairman Swetal C. Parikh
Kiranbhai Shah
Sanket V. Shah

Remuneration Committee

Chairman Kiranbhai Shah
Swetal C. Parikh
Dinesh Kamdar

Company Secretary

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

Auditors

Dinesh P. Shah & Company
Chartered Accountant
94, Madhuban, B/h. Town Hall,
Ellisbridge, Ahmedabad-06.

Registered Office

606, Doctor House,
Nr. Parimal Rly. Crossing,
Ahmedabad-380 006.

Site Office

"Perna", Perna Manor,
Opp. Ananddham Derasar,
S. G. Highway, Ahmedabad.

Register & Share Transferred Agent

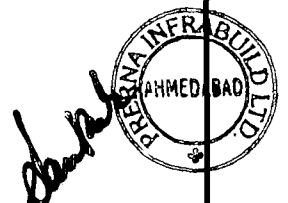
Pinnacle Shares Registry Pvt. Ltd.
Near Ashok Meals, Naroda Road,
Ahmedabad-380 025

Website

www.pernagroup.com

Bank

Development Credit bank
C. G. Road Branch,
Ahmedabad.



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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of Prerna Infrabuild Limited will be held on Saturday, 23rd August, 2008 at 10.00 a.m. at the Registered Office of the Company at 6th Floor, Doctor House, Nr. Parimal Crossing, Ahmedabad to transact the following business:

ORDINARY BUSINESS

1. To receive consider & adopt the Balance Sheet as at 31st March, 2008, the Profit & Loss Account for the year ended on that date and the reports of the Directors' & Auditors thereon.
2. To appoint a director in place of Shri Dinesh Kamdar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri Kiranbhai Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Dinesh. P. Shah & Co, Chartered Accountants, Ahmedabad as Auditors of the Company to hold office from conclusion of this Annual General Meeting till conclusion of next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company.

Registered Office
6th Floor, Doctor House
Near Parimal Garden
Ahmedabad-380006
Date : 30/6/08

For and behalf of Board of Directors

Vijay C. Shah
Chairman & Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to effective must be received at Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of the Members & Transfer Book of the Company will be closed from 16/8/08 to 23/8/08 [both days inclusive].
4. Shareholders desiring any information as regards the account are requested to send in their questions so as to reach the company at least five days before the Annual General Meeting so that the same can be suitably replied
5. Share transfer documents and all correspondence relating to should be addressed to registrar and share transfer agents of the company, M/s. Pinnacle Shares registry private limited., Nr Ashoka Mill, Naroda Road, Naroda Ahmedabad - 380 025 Tel. : 079 - 22204226, 22200338, 22200582 Fax : 079-22202963 E-mail:gautam.shah@psrpl.com & investor.service@psrpl.com
6. At the ensuing Annual General Meeting Shri Dinesh Kamdar and Shri Kiranbhai Shah shall retire by rotation and being eligible offer themselves for reappointment.

Pursuant to clause 49 of the Listing Agreement the Particular of the Directors to be reappointed are given below :

Profile of the Directors seeking appointment/reappointment.

1. Name : Shri Dineshbhai Kamdar
Address : 5-A, Krishna Society,
Ellisbridge, Ahmedabad.
Age : 64 Years
Nationality : Indian
Occupation : Business
Qualification : Diploma in Mechanical Engineer
Experience : 30 Years.
Date of appointment : 12/08/2006
2. Name : Shri Kiranbhai Shah
Address : B-3, Matru Ashish,
7th Floor, Nepeancy Road,
Mumbai.
Age : 62 Years
Nationality : Indian
Occupation : Business
Qualification : Architect BE. Civil
Experience : 28 Years
Date of appointment : 12/08/2006

Registered Office

6th Floor, Doctor House
Near Parimal Garden
Ahmedabad-380006
Date : 30/6/08

For and behalf of Board of Directors

Vijay C. Shah
Chairman & Managing Director



DIRECTORS REPORT

To
The Members,
Prerna Infrabuild Limited,
Ahmedabad.

Your Directors presents their 20th Annual Report together with the Audited Statement of Accounts of the Company for the year ended on 31st March, 2008.

FINANCIAL RESULTS :

	2007-08 (Rs in Lac)	2006-07(Rs in Lac)
Profit before tax	131.48	136.10
Provision for Taxation	45.40	30.55
Profit after Taxation	86.08	105.37
Balance Carried Forward	115.45	29.33

The Board does not recommend any dividend for the year under review to conserve the resources.

MANAGEMENT DISCUSSION & ANALYSIS

Industry structure and development

Real estate industry is touching new heights. The positive outlook of government is the key factor behind rise of the Real Estate sector. This sector is witnessing development in all area such as - residential, retail and commercial.

Real Estate in Ahmedabad is booming and is undergoing dramatic changes; the development of residential townships, malls, office spaces, flyovers and roads are fast changing the Ahmedabad cityscape.

The government authorities are encouraging the growth of six types of mini townships in Ahmedabad:

- Technology Parks
- Education based townships
- Medical and Health care townships
- Tourism and tourism related townships
- Logistics Parks
- Residential townships

These developments, coupled with healthy economic growth indicators triggered a lot of activity and capital appreciation in the sector over the past few years.

Over the long term, the demand for commercial, retail and residential segments will remain strong notwithstanding the global uncertainties on account of the sub prime crisis, potential US slowdown and a weakening dollar.

Opportunities

We aim to provide innovative range of solutions, which are cost effective, market driven and are in conformity with the quality standards of real estate industry.

Our vision is to be a leader in the real estate industry with best client service.

Threats :

- Low profit margins and an inequitable distribution of technological risk and financial reward.
- The pressures of time, cost and programme, rather than quality and value in the delivery of its products and services.
- There is a heavy reliance on “lowest tender” contracting systems.
- The Industry’s image affects its ability to attract the best employees.
- The Industry is fragmented into many self-interest groups.

COMPANY’S PERFORMANCE & FUTURE OUTLOOK

Aided by improved business environment, the company performed well during 2007-2008. The company also undertook major initiative to enhance its value propositions. The company has only one business segment namely real estate development.

RISK AND CONCERNS

Barring a handful of large companies, the industry set up is characterized by the performance of small-unorganized contractors. To counter the growing competition and keeping in view the rising outlays on construction projects, the large companies in the sector are increasingly invest in capital equipments.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

CAUTIONARY STATEMENT

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

CORPORATE GOVERNANCE

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

DIRECTORS

Shri Dinesh Kamdar and Shri Kiranbhai Shah will retire by rotation and being eligible, offer themselves for reappointment.

CODE OF CONDUCT

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



AUDITORS AND AUDITORS' REPORT :

The Auditors' M/s Dinesh. P. Shah & Co, Chartered Accountants, Ahmedabad holds office until the conclusion of the ensuing Annual General Meeting and is recommended for reappointment for the year 2008-2009. The Company has received certificate from the Auditors' to the effect that the reappointment if made, would be within prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

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

FIXED DEPOSITS :

The Company has not accepted any deposits from the public.

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

Particulars required to be furnished by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 :

Part A and B pertaining to conservation and technology absorption is not applicable to the Company. However the Company endeavored to conserve energy consumption wherever feasible.

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

DIRECTOR'S RESPONSIBILITY STATEMENT :

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

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

PARTICULARS OF EMPLOYEES :

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

Registered Office

6th Floor, Doctor House
Near Parimal Garden
Ahmedabad-380006
Date : 30/6/08

For and behalf of Board of Directors

Vijay C Shah
Chairman & Managing Director

CORPORATE GOVERNANCE – PRERNA INFRABUILD LIMITED

(As required by clause 49 of the Listing Agreement with the stock exchange)

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

MANDATORY REQUIREMENTS

1. Company's Philosophy & Code of Governance

Your company's corporate governance policy is directed towards adherence to ethical business practices.

2. Board of Directors

Composition of Board :

The Board of Directors consists of 6 [six] member. The company has an executive Chairman and the number of independent director is one half of the total number of directors. None of the Directors on the Board is a member on more than 10(ten) Committees and Chairman of more than 10(Ten) Committees and Chairman of more than 5 Committees (as specified in clause 49), across all the Companies in which he is a Director. The Directors have made the necessary disclosures regarding Committee positions.

The Composition of the Board as on 31st March 2008 was as under.

Directors	Category	Attendance Particulars			Other Committee Membership	
		Board Meeting	Last AGM	Other Directorship	Member	Chairman
Shri Vijay C Shah Chairman & M.D	Promoter & Executive	7	Y	2	0	0
Smt Nalini V Shah WholeTime Director	Promoter & Executive	7	Y	2	0	0
Shri Sanket V Shah	Promoter & Executive	7	Y	2	0	0
Smt Swetal C Parikh	IND	7	Y	0	0	0
Shri Kiran H Shah	IND	0	Y	0	0	0
Shri Dinesh V Kamdar	IND	7	Y	0	0	0

Details of Board Meetings held during the year 2007-08 7 (Seven) Board meetings were held during the year.

Date of Meeting	No. of Directors Present
30/04/2007	5
30/06/2007	5
31/07/2007	5
18/08/2007	5
31/10/2007	5
31/01/2008	5
31/03/2008	5



3. AUDIT COMMITTEE

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

The audit committee has been entrusted with all required authority and powers to play an effective role as envisaged under revised clause 49 of listing agreement.

Composition :

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

The Audit Committee met four times during the year under review on 30/6/07, 31/7/07, 31/10/07 & 31/1/08.

Name	Designation	Attendance
Smt Swetal C Parikh	Non Executive Independent	4
Shri Dinesh Kamdar	Non Executive Independent	4
Shri Kiran Shah	Non Executive Independent	0

CEO/CFO Certification

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

4. REMUNERATION COMMITTEE

Terms of reference :

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

Composition :

Its composition is as under :

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

The committee met once on where all the members attended the meeting

REMNERATION POLICY :

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

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

Details of the remuneration paid to all the directors for the year ended 31/03/2008.

Name of Director	Salary (Rs)	Benefits (Rs)	Service Contract
Shri Vijay C Shah Chairman & Managing Director	420000	0	5years w.e.f.15/01/2006
Smt Nalini V Shah	360000	0	5years w.e.f.15/01/2006
Shri Sanket V Shah	420000	0	5years w.e.f.15/01/2006

5. SHAREHOLDERS/INVESTOR'S GRIEVANCES COMMITTEE

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

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

6. DETAILS OF LAST THREE ANNUAL GENERAL MEETING

Year	Venue Of AGM	Date	Time
2004-05	6 th Floor Doctor House, C.G.Road, Ahmedabad-6	30/09/2005	10.00 am
2005-06	6 th Floor Doctor House, C.G.Road, Ahmedabad-6	12/08/2006	11.00 am
2006-07	6 th Floor Doctor House, C.G.Road, Ahmedabad-6	29/09/2007	11.00 am

Special resolution Passed in the previous three Annual General meeting.

Item	Date of AGM
Change in name	30/09/2005
Voluntary delisting from Ahmedabad Stock Exchange	12/08/2006



7. DISCLOSURE

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

8. Means of communication

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

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

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

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

9. General Shareholder Information

I Date time and venue of AGM

23rd August, 2008 at 10.00 a.m. at 6th Floor Doctor House, Nr, Parimal Crossing, C. G. Road, Ahmedabad-380 006

II Financial Year

The company follow April-March as its financial year. The result for every quarter beginning from April are declared in the month following the Quarter for the last quarter, except for the last quarter, for which results are declared by June as permitted under listing agreement.

III Date of book closure

16/8/08 to 23/8/08 [both days Inclusive]

IV Dividend payment date

Not Applicable

V Listing of stock exchanges at :

The Stock Exchange – Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-23

VI Stock Codes :

531802

VII High/Low of monthly Market Price of the Company's Equity Shares Traded on the Mumbai Stock Exchanges during the financial year 2007-08 is furnished below :

Month	2007-08	
	High	Low
April-2007	20.00	14.00
May-2007	15.36	11.45
June-2007	13.43	11.61
July-2007	13.25	11.95
August-2007	11.86	11.00
September-2007	16.39	9.53
October-2007	21.55	14.95
November-2007	18.60	15.65
December-2007	25.35	17.20
Jan-2008	26.15	17.40
Feb-2008	18.25	14.25
March-2008	19.50	15.85

VIII Registrar & Transfer Agent :

PINNACLE SHARES REGISTRY PRIVATE LIMITED
 Near Asoka Mills, Naroda Road, Naroda, Ahmedabad-380 025
 Tel:079-22204226, 22200338, 22200582 Fax:-079-22202963
 E-mail:gautam.shah@psrpl.com & investor.service@psrpl.com

IX Share transfer system

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

X Distribution of Shareholding (as on March 31, 2008)

a On the basis of share held

No of equity Shares held	No of Shares Holder (Physical)	No of Shares (Physical)	No of Shares Holder (D-mat)	No of Shares (D-mat)	Total no of Share Holders	% of Share Holders	Total no of Shares	% of Share Holding
1-500	1397	392490	331	91350	1728	88.07	483840	7.97
501-1000	34	29570	51	42910	85	4.33	72480	1.19
1001-2000	18	26600	23	34300	41	2.09	60900	1.00
2001-3000	19	48400	11	26800	30	1.53	75200	1.24
3001-4000	9	33100	12	43640	21	1.07	76740	1.26
4001-5000	3	13700	7	32800	10	0.51	46500	0.77
5001-10000	3	19900	10	73600	13	0.66	93500	1.54
10001 & Above	10	963620	24	4199820	34	1.73	5163440	85.03
Total	1493	1527380	469	4545220	1962	99.99	6072600	100.00



b On the basis of Category

Category	No of Shares Held	% to Total Shares Held
Individual	1515640	24.963
Private Corporate Bodies	90000	1.483
Promoters	4455360	73.367
Non resident Indians	8400	0.138
Mutual Fund	3200	0.053
Total	6072600	100.004

XI Dematerialization of Shares & liquidity

The company has dematerialized its shares capital with NDSL. The Shareholder may approach Pinnacle Shares Registry Private Limited, Registrar & Transfer Agents to dematerialize their holding.

XII Outstanding GDRs / ADRs / Warrants or any convertible Instrument as at March-08

There were no outstanding GDRs / ADRs / Warrants or any convertible instrument as at end March-2008.

XIII Plant Locations

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

XIV Address for Correspondence

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

6thFloor, Doctor House, Nr, Parimal Crossing, C. G. Road, Ahmedabad-380 006

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of Prerna Infrabuild Limited,

I have examined the compliance of condition of corporate governance by Prerna Infrabuild Limited for the year ended on 31st March 2008 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange. I have obtained all the information and explanations, which are best of my knowledge and belief, were necessary for the purpose of certification.

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

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

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

Place : Ahmedabad
Date : 30/6/2008

DECLARATION BY MANAGING DIRECTOR

(Under Clause 49 of the listing Agreement)

To
The Members of Prerna Infrabuild Limited.

I Vijay C Shah Managing Director of Prerna Infrabuild Limited declare that to the best of my knowledge and belief, all the members of the board of directors and Senior Management personnel have affirmed compliance with code of conduct for the year ended 31st March 2008.

For and behalf of Board of Directors

Place : Ahmedabad
Dated : 30/6/08

(Vijay C Shah)
Chairman & Managing Director



AUDITOR'S REPORT

TO
THE MEMBERS OF PRERNA INFRABUILD LTD.

1. We have audited the attached balance sheet of PRERNA INFRABUILD LTD. as at 31st March, 2008, and also the profit and loss account for the year ended on that date annexed thereto. These 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 the 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Govt. of India in terms of section 227(4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 **except AS-15 (Employee Benefits) and AS-17 (Segment Reporting)**.
 - (e) On the basis of written representations received from the directors, as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to and read with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2008;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date.
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

PLACE : AHMEDABAD

DATE : 30/06/2008

**FOR, DINESH P. SHAH & CO.
CHARTERED ACCOUNTANTS
(DINESH P. SHAH)
(PROPRIETOR)
MEMBERSHIP NO. 31758**

ANNEXURE TO THE AUDITORS' REPORT
Referred to in Paragraph 3 of our report even date

1. (a) Fixed assets records are under updation. However, statement has been prepared in computer which is to be converted into proper fixed assets register.
- (b) We are informed that the fixed assets have been physically verified by the management at the year end which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any part of fixed assets and the going concern status of the company is not affected.
2. (a) As explained to us, inventories are physically verified by the management at regular intervals during the year.
- (b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification as compared to book records.
3. (a) The company has taken interest free loans from eight (8) parties listed in the register maintained under section 301 of the Act aggregating to Rs. 95.83 lacs during the year. The maximum amount involved during the year was Rs. 94.93 lacs and the balance at the end of the year of loans granted to such parties was NIL.

The company has given interest free loans to six (6) parties listed in the register maintained under section 301 of the Act aggregating to Rs. 941.06 lacs during the year. The maximum amount involved during the year was Rs. 709.46 lacs and the balance at the end of the year of loans granted to such parties was Rs.140 lacs.
- (b) In our opinion and according to the information and explanation given to us, the terms and conditions in respect of interest free loans taken/given are not prima-facie prejudicial to the interest of the company except to the extent of non-charging of interest on loan given.
- (c) There is no stipulation as regards repayment of the loans taken/given.
- (d) There is no overdue exceeding Rs.1 Lacs in respect of loan taken/given by the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of fixed assets. During the course of our audit, we have neither come across nor we have been informed of any continuing failure to correct major weakness in internal controls.



5. (a) According to the information and explanation given to us, the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.
(b) The clause 4(v)(b) does not apply to the company as there is no transaction exceeding Rs.5,00,000/- with parties covered under section 301 of the Act.
6. The Company has not accepted any deposit from the public, attracting the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. The company does not have an internal audit system.
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. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth –tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The company does not have accumulated losses at the end of the Financial Year. The company has not incurred cash losses during the Financial Year covered by the audit and in the immediately preceding Financial Year.
11. According to the information and explanations given to us, the company has not taken any loan from bank or financial institution.
12. The company has not granted loans and advances 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, the provisions of clause 4(xiii) of the order, are not applicable to the company.
14. The company has maintained proper records of transactions and contracts in respect of trading in shares and other investment and timely entries have been made therein. All the investments have been held by the company in its own name.
15. In our opinion and according to the information and explanations given to us, the company has not given guarantee for loans taken by others from Bank or Financial Institutions.
16. In our opinion, the term loans have been applied for the purposes for which they were raised.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds, raised on short-term basis, have been used for long-term investment by the company.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The company has not issued debentures and therefore the question of creation of security in respect of debentures does not arise.
20. The company has not raised monies by public issues during the year and therefore the questions of disclosures and verification of end use of such monies does not arise.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE : AHMEDABAD

DATE : 30/06/2008

**FOR, DINESH P. SHAH & CO.
CHARTERED ACCOUNTANTS
(DINESH P. SHAH)
(PROPRIETOR)**



BALANCE SHEET AS AT 31st MARCH 2008

PARTICULARS	Schedule	AS AT		AS AT	
		Rs.	31.3.2008	Rs.	31.3.2007
I. SOURCES OF FUNDS :					
SHAREHOLDERS FUNDS :					
Share Capital	1	60,726,000		60,726,00	
Share Application Money				37,000,000	
Reserves & Surplus	2	11,544,865	72,270,665	2,933,357	100,659,357
II LOAN FUNDS :					
Secured Loans	3	504,340		819,874	
Unsecured Loan	4		504,340		819,874
TOTAL			72,775,205		101,479,231
APPLICATION OF FUNDS :					
I FIXED ASSETS					
Gross Block	5	22,609,590		4,720,700	
Less : Depreciation		2,478,209		1,680,086	
Net Block			20,131,281		3,040,614
II INVESTMENT					
	6		29,700,000		—
III CURRENT ASSETS, LOANS & ADVANCES					
i) Inventories	7			1,720,933	
ii) Sundry Debtors	8	10,862,785		21,523	
iii) Cash & Bank Balance	9	1,357,484		37,039,953	
iv) Loans & Advances	10	26,205,211		69,265,079	
		38,425,480		108,047,488	
IV Less : CURRENT LIABILITY & PROVISIONS					
Sundry Creditors	11	(15,661,133)		(9,733,590)	
NET CURRENT ASSETS			22,764,347		98,313,898
Deferred Tax Liability	12		179,477		124,719
TOTAL			72,775,205		101,479,231
Notes on Accounts	20				

AS PER OUR REPORT OF EVEN DATE

Dinesh P. Shah & Co.
Chartered Accountants
(D.P. Shah)

Vijay C. Shah
Managing Director
& Chairman

Nalini V. Shah
Director

Sanket V. Shah
Director

Place : Ahmedabad
Date : 30-06-2008

Place : Ahmedabad
Date : 30-06-2008

PROFIT & LOSS A/C FOR THE YEAR ENDED ON 31.03.2008

PARTICULARS	Schedule	Rs.	AS AT 31.3.2008	Rs.	AS AT 31.3.2007
INCOME :					
Sales	13		21,321,874		98,718,786
Other Income	14		4,901,990		501,922
			26,223,864		99,220,708
EXPENDITURE :					
Purchase of Shares			129,113		69,480,535
Decrease in Stock	15		1,720,933		7,894,244
Direct Expenses	16		3,763,830		2,658,742
Salaries, Wages & Other Benefits	17		2,937,537		2,281,539
Administrative and General Exps.	18		3,649,109		2,393,772
Interest	19		77,018		50,814
Depreciation	5		798,123		850,586
			13,075,663		85,610,232
Profit Before Taxation and Exceptional Items			13,148,201		13,610,476
Taxation for the year - Deferred Tax			54,758		59,222
- Fringe Benefit Tax			(145,000)		(77,409)
- Current Tax			(4,450,000)		(3,055,000)
Profit after Taxation and before Exceptional Items			8,607,959		10,537,289
Prior-period Adjustments			3,549		—
Profit after Taxation			8,611,508		10,537,289
Balance brought forward from Previous Year			2,933,357		(7,603,932)
Balance Carried to Balance Sheet			11,544,865		2,933,357
Earning per share (Basic & Diluted) (FV of Rs.10/-)			1.42		1.74
Notes on Accounts	20				

AS PER OUR REPORT OF EVEN DATE

Dinesh P. Shah & Co.
Chartered Accountants
(D.P. Shah)

Vijay C. Shah
Managing Director
& Chairman

Nalini V. Shah
Director

Sanket V. Shah
Director

Place : Ahmedabad
Date : 30-06-2008

Place : Ahmedabad
Date : 30-06-2008



SCHEDULE FORMING PARTS OF THE BALANCE SHEET

PARTICULARS	AS AT 31.3.2008	AS AT 31.3.2007
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**SCHEDULE : 1 : SHARE CAPITAL
AUTHORISED CAPITAL**

65,00,000 Equity shares of Rs. 10 each	65,00,000	65,00,000
ISSUED SUBSCRIBED AND PAID UP CAPITAL		
6072600 Equity shares of Rs. 10 each fully paid	60,726,000	60,726,000
Total	60,726,000	60,726,000

SCHEDULE : 2 : RESERVE & SURPLUS :

Profit and Loss Account : As per last Balance Sheet	- 2,933,357	- (7,603,932)
Addition during the year	8,611,508	10,537,289
Total	11,544,865	2,933,357

SCHEDULE : 3 : SECURED LOANS :

Term Loan from Kotak Mahindra Prime Ltd. (Secured by Hypothecation of car)	- 504,340	- 819,874
Total	504,340	819,874

SCHEDULE : 4 : UNSECURED LOANS :

Loan from Directors and others	-	-
Total	-	-

[Maximum amount due to directors and persons covered by section 301 of the companies Act during the year Rs. 94,93,000 (Rs. 4,25,730)]

SCHEDULE : 5 : FIXED ASSETS :

Sr. No	Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As On 01-04-07	Addi- tions	Adjust ment	As On 31-03-08	As on 01-04-07	For The Year	Adj. Dur Year	As On 31-3-08	As On 31-3-08	As On 31-3-07
1.	Motor Car	4,103,832	410,384	0	4,514,216	1,487,075	667,886	0	2,154,961	2,359,255	2,616,757
2.	Computer	176,211	50,663	0	226,874	84,745	51,641	0	136,386	90,488	91,466
3.	Two Wheeler	95,520	0	0	95,520	23,172	18,731	0	41,903	53,617	72,348
4.	Plant and M/C	314,293	177,955	0	492,248	74,939	53,269	0	128,208	364,040	239,354
5.	Furniture & Fixtures	30,844	196,128	0	226,972	10,155	6,596	0	16,751	210,221	20,689
6.	Land	0	17,053,760	0	17,053,760	0	0	0	0	17,053,760	0
Total	31-3-2008	4,720,700	17,888,890	0	22,609,590	1,680,086	798,123	0	2,478,209	20,131,381	3,040,614
Total	31-3-2007	3,286,734	1,433,966	0	4,720,700	829,500	850,586	0	1,680,086	3,040,614	2,457,234

PARTICULARS 31.3.2008 31.3.2007

Schedule : 6 : Investment :

Long term (At Cost)

Investment in Mutual Fund -

Quoted :

6,70,000 Units of Rs.10/- each ABN Amro FTP Series 11 Plan A	6700000	—
6,05,773 Units of Rs.10/- each of Kotak Equity Arbitrage Fund - Dividend Plan	6500000	—
10,00,000 Units of Rs.10/- each of Kotak FMP 13 Month Series 4	10000000	—
6,19,673 Units of Rs.10/- each of Standard Chartered Arbitrage Fund Plan A - Div.	6500000	—
Total :	29,700,000	—

Quoted Investment aggregate 29,700,000 —
 [Market Value - Rs.2,97,17,822/- (Rs.Nil)]

Schedule : 7 : Inventories :

(at lower of cost and net realisable value)

Shares	—	1,720,933
	—	1,720,933

Schedule : 8 : Sundry Debtors :

(Unsecured Considered good)

Over Six Months	21,523	21,523
Below Six Months	10,841,262	—
Total :	10,862,785	21,523

Schedule : 9 : Cash & Bank Balances :

Cash on Hand 375 —

Bank Balances :

(i) Balance With Scheduled Banks			
- Current Accounts	84,067		39,953
- Fixed deposits with banks	1,000,000	1,084,067	37,000,000
			37,039,953
(ii) Balance with Development Credit Bank Ltd.			
- Current Accounts*	226,652		—
- Fixed deposits with banks#	46,390	273,042	—
Total :	1,357,484		37,039,953

*[Maximum balance during the year
Rs. 82,00,779/-(Rs.NIL)]

#[Maximum balance during the year
Rs.1,69,84,575/-(Rs.NIL)]



PRERNA Infrabuild Ltd.

PARTICULARS	31.3.2008	31.3.2007
Schedule : 10 : Loans & Advances :		
(Unsecured Considered good)		
(i) Loan to Employee	11,613	52,500
(ii) Advances recoverable in Cash or kind or for value to be received	599,199	90326
(iii) Advance tax And TDS	11,592,399	7,022,617
(iv) Advance to Prerna Developers #	14,000,000	50,760,000
(iv) Loan to Others *	-	11,337,636
(v) Deposits	2,000	2,000
Total :	26,205,211	69,265,079

* [Maximum amount due from directors and parties covered by section 301 of the Companies Act during the year Rs. 1,42,21,000/-(Rs.5,08,130/-)]

[Advance to partnership firm in which directors are interested. Maximum amount due from it during the year Rs.56,725,000/-(Rs.77,385,000/-)]

Schedule : 11 : Current Liabilities & Provisions :

Current Liabilities

Sundry Creditors for Goods and Exps.	4,161,133	2,731,282
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Provisions

Provision for Taxation (F.Y.2003-04)	-	16,000
Provision for Taxation (F.Y.2004-05)	-	3,451
Provision for Taxation (F.Y.2005-06)	3,850,000	3,850,000
Provision for Taxation (F.Y.2006-07)	3,055,000	3,055,000
Provision for Taxation (F.Y.2007-08)	4,450,000	11,355,000
		-
		6,924,451

FBT Provision

FBT Provision for Taxation (F.Y.2005-06)	-	77,857
FBT Provision for Taxation (F.Y.2007-08)	145,000	145,000
		-
		77,857
Total :	15,661,133	9,733,590

SCHEDULE : 12 : Deferred Tax Asset/Liabilities(Net) :

Depreciation	179,477	124,719
	179,477	124,719

Schedule : 13 : Sales :

Profit from shares	2,032,038	80,171,786
Profit from F & O Business	27,990	-
Profit Charges	19,261,846	18,547,000
Total :	21,321,874	98,718,786

PARTICULARS 31.3.2008 31.3.2007

Schedule : 14 : Other Income :

Dividend from Companies & Mutual Fund	225,970	195,870
Interest on FDs with Banks	4,565,995	273,652
Profit on sale of Mutual Fund	70,300	-
Misc. Income	39,725	32,400
Total :	<u>4,901,990</u>	<u>501,922</u>

Schedule : 15 : Decrease In Stock :

Opening stock of Shares	1,720,933	9,615,177
Less : Closing stock of Shares	-	1,720,933
Total :	<u>1,720,933</u>	<u>7,894,244</u>

Schedule : 16 : Direct Expenses :

Securities Transaction Tax	17,049	-
Service Tax and Other Charges	962	-
Demat Fees	2,231	15,108
Labour Exps.	1,281,588	-
Brokerage	2,462,000	2,643,634
Total :	<u>3,763,830</u>	<u>2,658,742</u>

Schedule : 17 : Salary, Wages & Other Benefits :

Director's Remuneration	1,205,000	777,500
Salary	1,550,537	1,185,034
Bonus	163,500	174,710
Leave Salary	18,500	32,750
Gratuity	-	111,545
Total :	<u>2,937,537</u>	<u>2,281,539</u>

Schedule : 18 : Administrative and General Expenses :

Advertisement Exps.	54,923	38,610
Audit Fees	106,742	87,344
Building Maintenance Exps.	91,881	154,807
Electricity Expenses	293,998	258,524
Insurance Premium Expenses	93,925	98,107
Listing Fees	25,772	354,209

**PRERNA Infrabuild Ltd.**

PARTICULARS	31.3.2008	31.3.2007
Municipal Taxes	255,891	406,647
Office Maintenance Exps.	81,532	56,349
Petrol and Conveyance	75,394	48,928
Car Petrol Exps.	378,043	212,084
Postage Exps.	29,195	19,423
Printing and Stationery Exps.	32,484	25,740
Professional and Legal Fees	320,737	71,148
Repairs and Maintenance - Car	57,226	56,921
Repairs and Maintenance - Other	89,179	10,783
Sales Promotion Exps.	243,100	110,000
Security Exps.	62,814	136,603
Telephone Expenses	143,152	127,392
Traveling Expenses	1,201,864	98,878
Bank Charges	6,257	2,575
Miscellaneous Expenses	5,000	18,700
Total :	<u>3,649,109</u>	<u>2,393,772</u>

Schedule : 19 : Interest :

Interest on Car Loan	67,746	43,454
Interest on Fringe Benefit Tax / TDS	9,272	-
Interest to Others	-	7,360
Total :	<u>77,018</u>	<u>50,814</u>

SCHEDULE : 20 : NOTES FORMING PART OF ACCOUNTS AS ON 31.03.2008

I. SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF ACCOUNTING

The accounts are prepared on historical cost convention and on 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 excepts 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 INVENTORIES

Inventories are valued at cost or net realisable value whichever is lower.

5 REVENUE RECOGNITION

- (a) The company has entered into agreement with housing society, non-trading corporation and partnership firm for development of properties. Income from property development activity is recognised in terms of arrangements with developers , where applicable.
- (b) Profit/(loss) on sale of shares is recognised on the contracted date.
- (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 units is the difference between the net sale consideration and the cost in the books of the company

6 RETIREMENT BENEFITS :

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

7 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. However, in the year of transition, the accumulated deferred tax liabilities/assets at the beginning of the year has been recognised with a corresponding charge to the revenue reserves.
- (c) Provision for Fringe Benefit Tax is made on the basis of applicable rates on the taxable value of eligible expenses of the company as prescribed under the Income Tax Act, 1961

8 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.

9 CONTINGENT LIABILITIES / ASSETS

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



II. OTHER NOTES :-

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

	<u>2007-08 (Rs.)</u>	<u>2006-07 (Rs.)</u>
Remuneration & Perquisites	12,00,000	7,77,500

	<u>2007-08 (Rs.)</u>	<u>2006-07 (Rs.)</u>
(iv) Director's Traveling	12,01,864	98,878
(v) Directors Remuneration		
Salaries	1,205,000	
Bonus	110,000	
	<u>1,315,000</u>	

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

	<u>Rs.</u>	<u>Rs.</u>
Net Profit before tax		13,148,201
Add : Directors Remuneration	1,315,000	
Depreciation as per books	798,123	2,113,123
Less : Profit on sale of Mutual Fund(Net)	-61,410	
Depreciation u/s. 350	-818,529	(879,939)
Net Profit for Section 198 of the Companies Act, 1956		<u>14,381,385</u>
Commission to Directors		NIL
Remuneration to whole time director		910,000
Remuneration to non-whole time director		405,000

	<u>(Rs.)</u>	<u>(Rs.)</u>
(vi) Payment to Auditors :		
As Audit fees	84,270	44,896
As Tax Audit fees	22,472	44,228
Other Taxation matters	NIL	20,000

	<u>2007-08</u>	<u>2006-07</u>
(vii) Expenditure in foreign currency :		
Travelling expenses	1,201,864	NIL

(viii) Details of items 4C of Part II Schedule VI are not applicable.

(ix) There are no dues towards S.S.I.

(x) 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.

(xi) Related Party disclosure :

a) List of Related Parties and relationships

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



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
I	Transactions during the period			
	Sale of shares			
	- Nalini V. Shah		4,560	
	- Sanket V. Shah		5,000	
	- Vijay C. Shah		930	
	- Chandulal D. Varia		16,210	
	Loan given			
	- Prerna Developers	67,650,000		
	- Prerna Stock Brokers Pvt. Ltd.	21,000		
	- Sanket V. Shah		12,295,000	
	- Vijay C. Shah		8,725,000	
	- Vijay C. Shah (HUF)			5,315,000
	- Sanket V. Shah (HUF)			100,000
	Loan taken			
	- Prerna Developers	3,000,000		
	- Prerna Stock Brokers Pvt. Ltd.	2,300,000		
	- Prerna Hospital Ltd.	1,700,000		
	- Vijay C. Shah		500,000	
	- Nalini V. Shah		390,000	
	- Swetal C. Parikh		1,600,000	
	- Niyati S. Shah			60,000
	- Vijay C. Shah (HUF)			33,000
	Salary to :			
	Niyati S. Shah			360,000
	Remuneration to Directors :			
	Vijay C. Shah		420,000	
	Sanket V. Shah		420,000	
	Nalini V. Shah		360,000	
II	Amount outstanding as at Balance Sheet date			
	Sundry Debtors		10,490	16,210
	Loan given		14,000,000	

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

	<u>2007-08</u>	<u>2006-07</u>
Net Profit	86,11,508	1,05,37,289
Weighted average number of Equity shares of Rs. 10/- each outstanding	60,72,600	60,72,600
Basic and Diluted Earning Per Share	1.42	1.74

As per our report of even date

**FOR, DINESH P. SHAH & CO.
CHARTERED ACCOUNTANTS**

FOR, PRERNA INFRABUILD LTD.

(DINESH P. SHAH) (PROPRIETOR)

DIRECTOR

DIRECTOR

PLACE : AHMEDABAD

PLACE : AHMEDABAD

DATE : 30/06/2008

DATE : 30/06/2008



(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 31.03.2008

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	72775.21	Total Assets *	72775.21
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Source of Funds

Paid up Capital	60726.00	Reserves & Surplus	11544.87
Secured Loans	504.34	Unsecured Loans	NIL

Application of Funds :

Net Fixed Assets	20131.38	Investments	29700
Net Current Assets	22764.35	Miscellaneous Expenditure	NIL
Deferred tax liability	179.48		

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

Turnover **	26223.86	Total Expenditure	13075.66
Profit/(Loss) before tax	13148.20	Profit/(Loss) after tax	8611.51
Earning par share (Rs.)	1.42	Dividend Rate (%)	NIL

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

Item Code No: Not Applicable

Product Description : Not Applicable

**FOR, DINESH P. SHAH & CO.
CHARTERED ACCOUNTANTS**

FOR, PRERNA INFRABUILD LTD.

(DINESH P. SHAH) (PROPRIETOR)

DIRECTOR

DIRECTOR

PLACE : AHMEDABAD

PLACE : AHMEDABAD

DATE : 30/06/2008

DATE : 30/06/2008

* Includes deferred tax liability

** Includes other income

A CASH FLOW FROM OPERATING ACTIVITIES :

Particulars	2007-2008 Rs.	Rs.	2006-2007 Rs.	Rs.
Cash flows from operating activities :				
Net Profit before taxation, and extraordinary items	13,148,201		13,610,476	
Adjustment for :				
Depreciation	798,123		850,586	
Interest Expenses	67,746		50,814	
Profit on sale of Mutual Fund(Net)	(61,410)		-	
Dividend Income	(225,970)		(195,870)	
Fixed Deposit Interest Income	(4,565,995)		(273,652)	
Operating Profit before working capital change	9,160,695		14,042,354	
Movement in working capital :				
Decrease/(Increase) in Inventories	1,720,933		7,894,244	
Decrease/(Increase) in Sundry Debtors	(10,841,263)		(7,348,710)	
Decrease/(Increase) in loans & advances	47,629,650		(35,410,491)	
Increase/(Decrease) in Sundry Creditors	1,429,851		(272,448)	
Cash generated from operation	49,099,866		(21,095,051)	
Income Tax and FBT Paid	(4,663,541)		(3,224,747)	
Net cash from operating activities		44,436,325		(24,319,798)
Cash flows from Investing activities :				
Sale of Mutual Fund	41,741,053		-	
Purchase of Mutual Fund	(71,379,642)		-	
Interest Income	4,565,995		273,652	
Dividend	225,970		195,870	
Purchase of fixed asset	(17,888,890)		(1,433,966)	
Net cash from investing activities		(42,735,514)		(964,444)
Cash flows from financing activities :				
Share application money received	-		37,000,000	
Loan taken	-		1,043,454	
Loan repayment	(315,534)		(223,580)	
Interest paid	(67,746)		(50,814)	
Repayment of share application money	(37,000,000)		-	
Net cash from financing activities		(37,383,280)		37,769,060
Net increase in cash and cash equivalents		(35,682,469)		12,484,818
Cash and cash equivalents at beginning of period		37,039,953		24,555,135
Cash and cash equivalent at end of period		1,357,484		37,039,953

Components of Cash and Cash Equivalents as at :	31/3/08	31/3/07
Cash on hand	375	-
Balance with Banks :		
- On current account	357,109	39,953
- On deposit account	1000000	37,000,000
	1357484	37039953

Notes :

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

**As per our report of even date.
FOR, DINESH P. SHAH & CO.
CHARTERED ACCOUNTANTS**

FOR, PRERNA INFRABUILD LTD.

(DINESH P. SHAH) (PROPRIETOR)

DIRECTOR

DIRECTOR

**PLACE : AHMEDABAD
DATE : 30/06/2008**

**PLACE : AHMEDABAD
DATE : 30/06/2008**



PROXY FORM

Affix
1 RuPee
Revenue
Stamp

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

I/Weof being a member / members of Prerna Infrabuild Limited hereby appointof as my/our proxy or failing him/her..... of..... as my proxy to vote for me / us on my /our behalf at the 20th Annual General Meeting of the company to be held on Saturday, the 23rd August 2008 at 10:00 a.m. at 606, Doctor House, Near Parimal Crossing, Paldi, Ahmedabad-380006 and at any adjournment thereof.

Signed thisday of 2008

NOTE :

The proxy form in order to be effective, should be duly stamped, completed and deposited at the registered office of the company at 606, Doctor House, Near Parimal Crossing, Paldi, Ahmedabad-380006 not less than 48 hours before the time for holding the meeting.

Prerna Infrabuild Limited

Registered Office : 606, Doctor House, Near Parimal Crossing, Paldi, Ahmedabad-380006.

ATTENDANCE SLIP

20th Annual General Meeting - 23rd August, 2008



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 Twentyth Annual General Meeting of the Company to be held on Saturday, the 23rd August, 2008 at 10.00 am at 606, Doctor House, Near Parimal Crossing, Paldi, Ahmedabad-380006.

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: 606, Doctor House, Near Parimal Crossing, Paldi, Ahmedabad-380006.