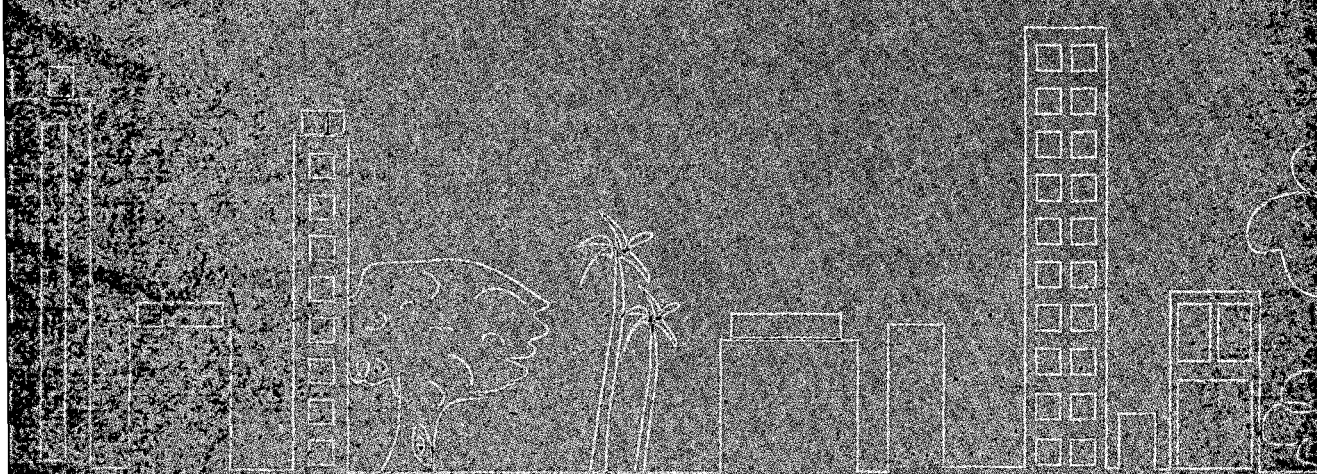




PRIME TEXTILES LIMITED

nd Annual Report
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SHRI MADANLAL PATODIA

Chairman Emeritus

20.09.1915 - 12.12.2008

Founder of Prime Group of Companies under whose able and visionary leadership the Group has blossomed to a prominent position and carved out a niche for itself in the Indian and international markets for quality products.

PRIME TEXTILES LIMITED

Annual Report 2008-09

BOARD OF DIRECTORS	Mr. PURUSHOTTAM PATODIA Chairman & Managing Director
	Mr. MADANLAL PATODIA (upto 31.07.2008)
	Mr. N.K. BAFNA
	Mr. BANWARILAL SINGHAL
	Mr. VIJAY KUMAR BHANDARI (From 30-06-2008)
	Mr. VIRAJ C. GANDHI (From 28-02-2009)
	Mrs. MINNU THOMAS (upto 31-08-2008))
	Mr. MANOJKUMAR PATODIA Vice Chairman & Managing Director
	Mr. ANUJJ K. PATODIA Managing Director
	Mr. B.K. SRINIVASA RAGAVAN Director (Finance & Admin)
COMPANY SECRETARY	Mr. S.RENGASAMY
AUDITORS	MESSRS.M.S.JAGANNATHAN & VISVANATHAN Chartered Accountants, Coimbatore
LEGAL ADVISORS	MESSRS. RAMANI & SHANKAR Advocates, Coimbatore
BANKERS	CENTRAL BANK OF INDIA BANK OF INDIA CANARA BANK
REGISTERED OFFICE	110, Avinashi Road Gandhinagar Post Tirupur-641 603 India

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DIRECTORS' REPORT

To the Members

Your Directors are presenting their Seventy Second Annual Report and the Audited Accounts for the year ended 31st March 2009.

DEMISE OF SHRI MADANLAL PATODIA, CHAIRMAN EMERITUS

With deep sense of mourning, your Directors record the sad demise of Shri Madanlal Patodia, Chairman Emeritus of the Company, on 12th December 2008. Shri Madanlal Patodia was a towering personality in the Indian textile industry and as Chairman of the Company since the year 1988, he provided invaluable services and expert guidance to the Company with which it has emerged strong with changed focus. Your Directors pay their homage to the departed soul and pray the Almighty to bequeath eternal peace to the departed soul. Shri Madanlal Patodia will continue to be a divine source of inspiration to the Board for all time to come.

FINANCIAL RESULTS AT A GLANCE

	Year ended March 31, 2009 Rs.lacs	Year ended March 31, 2008 Rs.lacs
Turnover and other Income	7,689	10,689
EBIDTA	2,176	918
Interest	553	722
Depreciation	202	475
Amortisation	256	114
Profit / (Loss) before taxes	1,165	(393)
Exceptional items	(2,096)	-
Current Taxation	-	-
Deferred Taxation Benefit/(Expenses)	178	435
Fringe benefit tax	(14)	(16)
Minimum Alternate Tax Credit entitlement	0	8
Profit / (Loss) after tax	(767)	34
Surplus from previous year brought forward	86	18
Transfer from General Reserve	646	75
Amount available for appropriation	(35)	127
Appropriations:		
Proposed Dividends-		
On Equity Capital	0	27
On Preference Capital	0	8
Tax on Distributed Profits	0	6
Surplus / (Deficit) carried over to Balance Sheet	(35)	86
Total Appropriations	(35)	127

DIVIDEND

Your Directors do not recommend a Dividend for the year ended 31st March 2009 due to heavy loss during the year under review.

REVIEW OF OPERATIONS

Your company has two reportable segments, the Realty and the Textile.

1. Realty Segment

Tirupur has undergone major transformation in the last year. Apart from remaining a driving force for exports business, it has now become a district headquarters for sustainable economic growth. With a strong government in the centre, resilient economic factors and favorable policies from the government especially on the housing segment are expected to enable growth of real estate sector in India.

At present, the realty business of your company has been to develop its high-value lands it owns. As the shareholders are aware, "Prime Enclave Vistas" residential multi-storied apartments constructed in partnership has become now a prestigious address to own in Tirupur. The construction of a multi-storied Commercial Complex adjacent to the Prime Enclave Vistas is expected to be taken up shortly.

Under a joint collaboration with FDI investors, the construction of independent luxury villas, offices and shopping spaces have been planned. The first phase in the project will be a virtual landscape for the luxury villas (captioned THEONYX) designed to match international standards engulfed in tropical greenery, has caught the imagination of the buyers and has evinced good response.

2. Textile Segment

The economic recession in developed markets has had a very severe impact on the Indian textile segment. The downturn impacted consumer spending, thereby resulting in scaling down of both the operations and new orders by many international buyers and retailers. The Indian cotton yarn industry has in the last two years been under tremendous pressure also on account of intense competition, significant debt-funded capacities, and burgeoning operational costs. The industry looks forward to the world economy returning to normal, which in turn depend on intertwined factors such as the fluctuations of consumer and business confidence and the volatility of global capital markets. The revival of the spinning industry in the short-to-medium term will depend largely on demand recovery in international markets and improvement in macro-economic indicators for the domestic market.

Your company has taken proactive steps to achieve favorable economies of scale. It has emerged today with a strong capital structure after having discharged its term debts and restructuring its working capital base. It has reinvigorated the Post-Spinning Unit at Sathyamangalam and the Garments factory at Tirupur into having a greater focus on value-added products.

FIRE AT GARMENT STORAGE GODOWN

On 8th May 2009 a fire broke-out in a storage godown gutting the finished garments and fabrics stocked therein valued at Rs.523 lacs. The goods are adequately insured. Claims made are under process by the insurers. The incidence did not affect the operations of the Garment factory and the Unit has been functioning uninterrupted.

CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements for the year ended March 31, 2009 form part of the Annual Report.

SUBSIDIARY COMPANIES

The Reports and Audited Accounts of the subsidiary companies along with the statement pursuant to Section 212 of the Companies Act, 1956, are not forming part of the Annual Report. Your company sought and obtained approval from the Ministry of Corporate Affairs, Government of India, New Delhi for the financial year 2008-09 in respect of the applicability of provisions contained in sub-section (1) of Section 212 of the Companies Act, 1956 in relation to these four wholly-owned subsidiary companies that carry no commercial activities.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company has adopted appropriate standards for good Corporate Governance. All the mandatory provisions of Corporate Governance as prescribed under the amended Listing Agreements of the Stock Exchanges, with which the Company is listed, are complied with. Report on Corporate Governance with Management Discussion and Analysis as required under the Listing Agreements with the Stock Exchanges forms part of the Annual Report.

In terms of sub-clause (v) of Clause 49 of Listing Agreement, certificate of the CEO/CFO, inter alia, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of the said Clause is also annexed as part of the said Report. A certificate from the auditors to this effect is annexed as part of the Corporate Governance Report.

ENVIRONMENT AND POLLUTION CONTROL

Your Company has been complying with the State Environment and Pollution Control statutes and has instituted adequate measures towards environmental protection.

FIXED DEPOSITS

There are no unpaid deposits except the ones matured but remaining unclaimed amounting to Rs.114.10 lacs (Rs.5.75 lacs) by 11 depositors and all of them have since been renewed.

LISTING PARTICULARS

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd., Mumbai. The company has paid the listing fees to Bombay Stock Exchange Ltd. upto 2009-10. The company's application for delisting its equity shares from Coimbatore Stock Exchange Ltd. is pending approval from the Coimbatore Stock Exchange Ltd.

DISCLOSURE OF PARTICULARS

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information and data is given in Annexure B. A Cash Flow Statement, as required by Clause 32 of the Listing Agreement with the stock exchanges is forming part of the Notes on accounts.

PRIME TEXTILES LIMITED

DEPOSITORY SYSTEM

As the members are aware, your company's shares are tradable compulsorily in electronic form and your company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr. Banwarilal Singhal retires by rotation as Director at the ensuing Annual General Meeting and is eligible for re-appointment.

Under Section 262 of the Companies Act, 1956 and Article 92 of the Articles of Association of the Company, Mr. Viraj C. Gandhi was appointed with effect from February 28, 2009 as a Director in the casual vacancy caused by withdrawal of Mrs. Minnu Thomas from her nomination. He retires by rotation as Director at the ensuing Annual General Meeting and is eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, your Directors wish to confirm that –

- i. In the preparation of the annual accounts, the applicable Accounting Standards have been followed.
- ii. The Accounting Policies adopted are consistently followed and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit / (Loss) of the Company for the year.
- iii. The Directors have taken proper and sufficient care as warranted for the maintenance of adequate accounting records in accordance with the provisions of this Act in safeguarding the assets of the Company and for preventing/detecting any incidence of frauds and other irregularities.
- iv. The Annual Accounts have been prepared on a going concern basis.

COST AUDIT

The company has requested the Cost Audit Branch, Ministry of Corporate Affairs, Government of India, New Delhi to exempt the company from applicability of the Cost Audit Orders from the year 2008-09 onwards and for exemption from applicability of the provisions of the Companies Act in respect of the appointment of Cost Auditor in lieu of permanent closure of the Spinning unit. The approval is awaited as on date of this Report.

AUDITORS

The Statutory Auditors of the Company, Messrs M.S. Jagannathan & Visvanathan, Chartered Accountants, Coimbatore, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if reappointed.

PARTICULARS OF EMPLOYEES

A statement showing the particulars of employees referred to in sub section (2A) of section 217 of the Companies Act, 1956 read with Companies (Particulars of employees) Rules 1975 is given in Annexure A forming part of the report.

ACKNOWLEDGEMENTS

Your Directors record their deep sense of gratitude to the term lending institutions and the working capital bankers for the excellent support and cooperation rendered by them to the company. Your Directors are thankful to the esteemed stakeholders and business associates for their continued support and the confidence reposed in the Company and its Management.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 30.06.2009

Purushottam Patodia
Chairman and Managing Director

ANNEXURE A

Particulars of employees as required under sub section (2A) of Section 217 of the Companies Act, 1956 and the rules made there under forming part of the Directors' Report

A. Employees who worked throughout the accounting year and whose remuneration aggregating Rs.24,00,000 or more per year:

Name	Age	Designation	Nature of duties	Qualification & Experience	Date of appointment	Last employment held	Amount of Remuneration
Mr. Purushottam Patodia	69	Chairman & Managing Director	Overall managerial supervision	B.Com (45 years)	20.10.1989	GTN Textiles Ltd.	Rs.43.57 lacs
Mr. Manojkumar Patodia	45	Vice Chairman & Managing Director	Overall managerial supervision	B.Com (20 years)	01.01.1995	Yarn Syndicate Ltd.	Rs. 30.60 lacs
Mr. Anuj K. Patodia	36	Managing Director	Overall managerial supervision	B.Com (15 years)	21.06.2002	Prime Processors Limited	Rs.29.24 lacs

B. Employees who worked during part of the accounting year and whose remuneration aggregating Rs.2,00,000 or more per month : None

Notes:

1. Nature of employment : Contractual
2. The remuneration includes Salary, Company's contribution to Provident Fund, Educational Allowance, Medical Expenses and other perquisites evaluated as per Income tax Rules wherever necessary
3. Mr. Manojkumar Patodia is related to Mr. Purushottam Patodia, Chairman and Managing Director, Mr. Anuj K. Patodia, Managing Director and Mrs. Indira Devi Patodia, Sales Executive of the Company.

For and on behalf of the Board

Place: Mumbai
Date : 30.06.2009

Purushottam Patodia
Chairman and Managing Director

ANNEXURE B

Management's Discussion and Analysis

Overview

Prime Textiles Limited is a Government Recognized Star Export House. It has two business segments – Realty Division and Textile Division. The Realty Division is developing land banks in Tirupur and other tier-II cities. The Textile Division comprise of the Knitted Garments unit at Tirupur and the Post-spinning Unit at Sathyamangalam.

BUSINESS ANALYSIS

Business Segment : Realty Division

The Realty Division of the company has been developing presently the prime lands owned by the company. With the realty business emerging as the core activity of the company, the Division expects to achieve the spectacular growth to generate dependable returns. The Company is creating high quality properties keeping pace with a growing market with an outlook for affordability.

1. A multi-storied residential complex comprising of 432 apartments is taken up and construction for 288 apartments is complete and offered for occupation. The construction of a commercial mall adjacent to the residential complex is in progress. The above initiatives are in a partnership firm in which the company holds a stake of 50%.
2. The company has entered into a development and collaboration agreement for development of further lands with a FDI group, with the company holding a stake of 75%. The construction of luxury villas as part of the development is to commence in the year 2009-10.

PRIME TEXTILES LIMITED

Business Segment : Textile Division

In the Garments unit, sustained efforts were put in improving the scale of operations. Various value-added new products and product-mix were introduced. The factory is acclaimed with WRAP International Standards. With the location of various buying houses in Tirupur, better supply chain management is brought in.

The Post-spinning unit at Sathyamangalam has been catering to exports markets through its value-addition processes for which the unit outsource yarns. The scale of business stands enlarged to cater to demands from the customer base built up by the company over past decades.

TOWARDS ENHANCEMENT OF STAKEHOLDER VALUE

Matching the Company's distinctive capabilities with the Realty Division is considered where profitable growth and increased shareholders' value are likely to occur. Your Company has also positioned its Realty Division for taking up other affordable housing projects in catering to a strong demand foreseen for dwelling units.

Financial Review And Analysis

Highlights

Year ended 31st March

Particulars	2009 Rs.lacs	2008 Rs.lacs
Net Turnover	7,644	10,644
Other Income	45	45
PBIDT	1,921	804
Interest	553	722
Depreciation	203	475
Profit/(Loss) before Taxes	1,165	(393)
Exceptional items	(2,096)	-
Current tax	-	-
Fringe Benefit Tax	(14)	(16)
Profit/(Loss) after Current Tax	(945)	(409)
Deferred Tax	178	435
Minimum Alternate Tax Credit entitlement	0	8
Profit/(Loss) after tax	(767)	34

Income Tax

Deferred tax asset relating to the current year stands credited to the current revenues of the Company. There is no incidence for Minimum Alternate Tax liability.

Return on Capital Employed

Year ended 31st March

Particulars	2009 Rs.lacs	2008 Rs.lacs
Net Fixed Assets (sans Revaluation)	1,679	5,647
Net Current Assets	2,127	825
Capital Employed	3,806	6,472
PBIT	(378)	329
ROCE	-	5.08%

Internal Control

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The Internal Control is supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. The Board of Directors provides governance, guidance and oversight. Through the Audit Committee, it discusses the internal control structure with management based on input from the internal and independent auditors and provides oversight as necessary.

The internal audit function adequately provides –

- objective assurance to the Board as to the effectiveness of the company's risk management and internal control framework;
- assistance to the Board and the management to issues connected with the design, implementation, and operation of systems of internal control; and,
- assistance to the Board through periodic reporting to support their review of effectiveness of internal control.

ANNEXURE C

INFORMATION PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS) RULES, 1988, FORMING PART OF THE REPORT OF THE DIRECTORS

1. CONSERVATION OF ENERGY

(A) MEASURES TAKEN

-Nil-

(B) IMPACT OF THE ABOVE MEASURES

- Does not arise -

(C) ENERGY CONSUMPTION

Energy consumption details as per prescribed Form-A together with comparative figures for the previous year, is given at the end of this Annexure.

2. TECHNOLOGY ABSORPTION

(A) PROCESSES FOR VALUE-ADDITION

Post-spinning unit at Sathyamangalam has been equipped with modern testing equipments for offering quality assurance to the customers.

(B) BENEFITS

Enlarging customer base

(C) IMPORTED TECHNOLOGY/IMPORTS IN LAST FIVE YEARS: None

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activity relating to Exports

Exports of value-added cotton yarns and cotton knitted garments continue to be the thrust areas for the Company.

2. Initiatives taken to increase exports

a. Absorption of latest technological advancements in the field of textiles, enabling to offer its products to match qualitative requirements of the end-users.

b. Efforts are taken for penetration into new markets.

3. Export plans

Garments Manufacturing Unit is recognized for bulk production for select US buyers.

4. Total Foreign Exchange earning and outgo

	Year ended on March 31st	
	2009 Rs.lacs	2008 Rs.lacs
Total Foreign Exchange earnings	3,466	5,683
Total Foreign Exchange outgo	124	444

FORM A

For the years ended on 31st March

A Power and Fuel consumption

Electricity

a Purchased

KWHr

2009

2008

1,68,540

1,19,85,623

Total amount

Rs.lacs

10.21

558.24

Rate per Unit

Rs.P.

6.06

4.66

b Generation for captive usage

KWHr

18,451

6,15,683

Total amount

Rs.lacs

3.10

95.65

Rate per Unit

Rs.P.

16.78

15.54

Units generated per litre

KWHr

1.81

4.10

B. Consumption per unit of Production

a Electricity

KWHr

Nil

1,26,01,306

b Consumption for production per Kg.

KWHr

Nil

20.20

For and on behalf of the Board of Directors

Place: Mumbai
Date : 30.06.2009

Purushottam Patodia
Chairman and Managing Director

**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31ST MARCH 2009**

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Your Company reports total compliance of the mandatory provisions of the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchanges. Furnished below is a Report on the implementation thereof.

A.Mandatory Requirements

I. Company's Philosophy on Code of Corporate Governance

PRIME TEXTILES LIMITED has recognised corporate governance policies as key factors in achieving its long-term goals. The Company believes that adherence to sound corporate governance policies and practices is important in ensuring that the company is governed and managed with the highest standards of responsibility, ethics and integrity and in the best interests of its stakeholders. The Board has adopted Principles of Corporate Governance, which provide an effective corporate governance framework for the Company, intending to reflect a set of core values that provide the foundation for its governance and management systems and its interactions with others.

The above philosophy along with the enshrined Code of Conduct for prevention of Insider Trading ensures the sustenance of high ethical and moral standards which govern the conduct of the Company and its employees.

Your Company has complied with the requirements of the Corporate Governance Code, the disclosure requirements of which are given below:

II Board Of Directors

a. Composition of the Board

The Board comprises four non-executive Independent Directors and four executive Directors and is responsible to shareholders for the proper management of the Company. It meets regularly, reviewing trading performance, setting and monitoring strategy and examining major capital expenditure and acquisition opportunities. The Company is fully compliant with the revised Corporate Governance norms in terms of the composition of the Board. The Board at PRIME represents optimum mix of professionalism, knowledge and expertise.

b. Board Meetings

The Board meets at least once in every quarter to review the quarterly results and where expediency demands, additional meetings are held. The Board is apprised and informed of all the important information relating to the business of the company including those listed in Annexure-1A of Clause 49 of the Listing Agreement.

c. Number of Board meetings held during the year

Six Board Meetings were held during the year 2008-09 and the gap between two consecutive meetings did not exceed four months. The dates on which the Board Meetings held were 30th June 2008, 31st July 2008, 23rd August 2008, 23rd October 2008, 30th January 2009 and 28th February 2009

d. Directors attendance record at the Board Meetings and the last AGM

Name of Director	Category	No. of Board Meetings attended	Attended at the last AGM
Mr.Madanlal Patodia Chairman (upto 31.07.2008) (Since deceased)	Promoter Non Independent Non-Executive	Nil	No
Mr.Purushottam Patodia Chairman and Managing Director	Promoter Non Independent Executive	6	Yes
Mr.Manojkumar Patodia Managing Director (redesignated as Vice Chairman & Managing Director w.e.f 30.06.2009)	Promoter Non Independent Executive	5	No

d. Directors attendance record at the Board Meetings and the last AGM (Continued)

Name of Director	Category	No. of Board Meetings attended	Attended at the last AGM
Mr. Anuj K. Patodia Executive Director (redesignated as Managing Director w.e.f 30.06.2009)	Promoter Non Independent Executive	5	No
Mr. N.K. Bafna	Independent Non Executive	5	Yes
Mr. Banwarilal Singhal	Independent Non Executive	5	Yes
Mrs. Minnu Thomas Nominee of IDBI Ceased to be a Director w.e.f 01.09.2008	Independent Non Executive	2	Yes
Mr. Chandulal D. Thakker Ceased to be a Director w.e.f. 30.06.2008	Non Independent Non Executive	1	No
Mr. Vijaykumar Bhandari	Independent Non Executive	4	Yes
Mr. Viraj C. Gandhi	Independent Non Executive	Nil	No
Mr. B.K. Srinivasa Ragavan Director (Finance & Admin)	Non Independent Executive	6	Yes

e. Number of other Companies or Committees the Director of the Company is a Director/Member/Chairman

Name of Director	No. of Directorship in other companies		No. of Committee positions held in other companies	
	Chairman	Member	Chairman	Member
Mr. Purushottam Patodia	1	2	Nil	Nil
Mr. Manojkumar Patodia	Nil	6	Nil	Nil
Mr. Anuj K. Patodia	Nil	8	Nil	Nil
Mr. N.K. Bafna	Nil	2	1	2
Mr. Banwarilal Singhal	Nil	5	6	8
Mr. Vijaykumar Bhandary	Nil	7	4	2
Mr. Viraj C. Gandhi	Nil	1	Nil	Nil
Mr. B.K. Srinivasa Ragavan	Nil	4	Nil	Nil

The Company did not have any pecuniary relationship with any of the Non-Executive Directors during the year 2008-09.

f. Information supplied to the Board

Among others information supplied includes

- review of annual operating plans of business, capital budgets
- quarterly results of the company and its operating divisions or business segments.
- minutes of meeting of audit committee and other committees
- minutes of meeting of the subsidiary companies
- materially important show cause, demand, prosecution and penalty notices
- fatal or serious accidents or dangerous occurrences
- any materially significant problems
- sale of material nature of investments, subsidiaries, assets which is not in the normal course of business
- non compliance of any regulatory or statutory provision or listing requirements as well as share holder services
- details of any joint venture or collaboration agreement
- transactions that involve substantial payment towards goodwill, brand equity or intellectual property

The Board of Prime Textiles is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board Meetings or are tabled in the course of the Board Meetings or are tabled before the appropriate Committees of the Board.

g. **Materially significant related party transactions**

There have been no materially significant related party transactions, pecuniary transaction or relationship between the company and its Directors for the year ended 31st March 2009 that may have a potential conflict with the interest of the company at large.

h. **Code of Conduct for Directors and Senior Management Personnel**

The Company has adopted the "Code of Conduct for Directors and Senior Management Personnel" for compliance on annual basis, meeting the requirements of the Securities and Exchange Board of India (SEBI). The Company Secretary has been appointed as the Compliance Officer for the purpose. The code is applicable to all the Directors and Senior Management Personnel who are members of its core management team excluding Board of Directors and will comprise all members of management one level below the Executive Directors including all functional heads. The code of conduct is available on the website.

III. COMMITTEES OF THE BOARD

The Board has two mandatory Committees viz., the Audit Committee and the Investors' Grievance Committee and three Non-Mandatory Committees viz., the Remuneration Committee, the Finance Committee and the Special Committee. The Board decides the terms of reference of these Committees and the assignment of its members thereof.

Audit Committee

The Audit Committee comprises of Mr. Banwarilal Singhal as its Chairman and Mr. N.K.Bafna and Mr. Manojkumar Patodia as Members. Mr. Banwarilal Singhal and Mr. N.K. Bafna are partners in reputed firms of Chartered Accountants. The Committee provides a forum for reporting by the Company's auditors. By invitation, the meetings are also attended by other Directors. Other key personnel of the Company, as called for, attend the meetings. The Company Secretary acts as the Secretary to the Committee.

The Audit Committee is responsible for reviewing a wide range of financial matters including the quarterly and annual accounts before their submission to the Board and monitoring the controls that are in force to ensure the integrity of the financial information reported to the shareholders. The Audit Committee advises the Board on the appointment of external and internal auditors and on their remuneration, both for audit and non-audit work, and discusses the nature and scope of their audit. The committee is also responsible for implementing the recommendations of the Board arising from its review of the internal control and risk assessment report. The terms of reference to the Audit Committee include the areas specified under Sub-clauses D and E of Clause 49 II and Disclosures under Clause 49 IV (A) of the Listing Agreement. The Audit Committee has been granted powers as prescribed under Clause 49 II(C). Thus, the terms of reference of the Audit Committee are wide enough to cover matters specified below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report 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 any related party transactions
 - g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is brought to force.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee met 4 times during the year ended 31st March 2009 on 30th June 2008, 31st July 2008, 23rd October 2008, and 30th January 2009.

The Company has complied with the requirements of Clause 49II A as regards the composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Names of Members	Category	Number of meetings attended
Mr. Banwarilal Singhal Committee Chairman (Chartered Accountant)	Independent, Non-Executive	4
N.K. Bafna, Member (Chartered Accountant)	Independent, Non-Executive	4
Mrs. Minnu Thomas (Nominee – IDBI) (Ceased to be a Director w.e.f. 01.09.2008)	Independent, Non-Executive	1
Mr. Manojkumar Patodia (Appointed from 30.01.09)	Non Independent-Executive	1

Investors' Grievances Committee

The Investors' Grievance Committee is constituted to address and redress investors' complaints such as transfer of shares, non-receipt of annual accounts, non-receipt of dividend warrants and to ensure expeditious share transfer process. The Committee comprises of Mr. N.K. Bafna as the Chairman, Mr. Banwarilal Singhal, Mr. Purushottam Patodia, Mr. Manojkumar Patodia and Mr. Vijaykumar Bhandari as its Members. The Company Secretary acts as the Secretary of the Committee.

The Committee met 4 times during the year 2008-09 on 30th June 2008, 31st July 2008, 23rd October 2008 and 30th January 2009. No investor grievance remained unattended/pending for more than 30 days and no request for share transfers and dematerialization received during the financial year was pending for more than 30 days and 15 days respectively.

PRIME TEXTILES LIMITED

The composition of the Investors' Grievance Committee and details of the meetings attended by the Directors are as under:-

Names of Members	Category	Number of meetings attended
Mr.N.K.Bafna Committee Chairman	Independent, Non-Executive	4
Mr.Banwarilal Singhal	Independent, Non-Executive	4
Mr.Purushottam Patodia	Non-Independent, Executive	4
Mr.Manojkumar Patodia	Non-Independent, Executive	4
Mr.Vijaykumar Bhandari	Independent, Non-Executive	2

Remuneration Committee

The Remuneration Committee is a non-mandatory requirement.

The Remuneration Committee comprises three non-executive Directors, Mr.Banwarilal Singhal, Mr.N.K.Bafna and Mr. Vijaykumar Bhandari. The Committee is responsible for recommending the contract terms, remuneration and other benefits for Company's Managing/Whole-time Directors. The Committee met twice on 30th June 2008 and 31st July 2008. The composition of the Remuneration Committee and the details of meetings attended by the Directors are given below:

Names of Members	Category	Number of meetings attended
Mr.Chandulal D.Thakker (Ceased to be a Director) w.e.f. 30.06.2008)	Non-Independent, Non-Executive	Nil
Mr.Banwarilal Singhal	Independent, Non-Executive	2
Mr.N.K.Bafna	Independent, Non-Executive	2
Mr.Vijaykumar Bhandari	Independent, Non-Executive	Nil

Remuneration Policy

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and Whole-time Directors. Salary is paid within the range approved by the shareholders. Effective 1st April each year, annual increments as recommended by the Remuneration Committee, are approved by the Board of Directors. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors on the recommendations by the Remuneration Committee, within the overall ceilings stipulated in Section 198 and 309 of the Companies Act, 1956. Sitting fees is paid to only Non-whole time and Non-executive Directors. No severance fees is payable to any of the Whole-time Directors.

Remuneration of Directors, Sitting fees, salary, perquisites

Remuneration payable to the managerial personnel is approved by the members at the General Meeting of the Company. Remuneration consists of a fixed salary, perquisites, contribution to Provident Fund. Commission is calculated on the net profits of the company.

The Board of Directors decides the remuneration of Non-Executive Directors which is presently only by way of a sitting fee.

Table set below explain the details :

Rs. In lacs

Name of Director	Sitting fees	Salary	Contn.to P.F.	Perks	Total
Mr. Madanlal Patodia	Nil	Nil	Nil	Nil	Nil
Mr. Purushottam Patodia	Nil	32.40	3.89	7.28	43.57
Mr. Manojkumar Patodia	Nil	24.30	2.92	3.38	30.60
Mr. Anuj K. Patodia	Nil	22.73	2.73	3.78	29.24
Mrs. Minnu Thomas	0.25	-	-	-	0.25
Mr. Chandulal D.Thakker	0.15	-	-	-	0.15
Mr. N.K.Bafna	1.30	-	-	-	1.30
Mr. Banwarilal Singhal	1.30	-	-	-	1.30
Mr.B.K.Srinivasa Ragavan	Nil	20.80	-	3.17	23.97
Mr.Vijayakumar Bhandari	0.50	-	-	-	0.50
Total	3.50	100.23	9.54	17.61	130.88

Finance Committee

The Board has constituted this non-mandatory Committee with the terms of reference of approval for major capital expenditure schemes, exercise Budgetary Controls, connote acceptance and contract for term debts from financial institutions/banks in respect of such capital expenditure schemes, approve and contract on proposals for swapping/syndication of term debts with a view to curtail cost of finance, grant donations within the stipulated limits, oversee banking operations, transact routine matters such as opening and closing of banking accounts, to grant limited power of attorney to the officers of the Company, and to recommend to the Board, revenue budgets, capital budgets, projects and other major capital schemes, to consider expansion/new businesses, divestments, changes in organisational structure and also periodically review the business plans and strategies of the Company. The Finance Committee also affects share transfers subject to approval/ratification by the Board.

The Finance Committee comprises Mr.Purushottam Patodia, Chairman and Managing Director (Committee Chairman), Mr.Manojkumar Patodia, Vice Chairman & Managing Director and Mr. Anuj K. Patodia, Managing Director as its Members.

Special Committee

The Board has constituted a Special Committee with the terms of reference to approve the quarterly financial results other than the Audit Committee and the Board need not approve the same before publishing the quarterly financial results. But the Board would have to approve the quarterly financial results in its next meeting. The Special Committee comprises Mr.B.L.Singhal (Committee Chairman), Mr.N.K.Bafna, Director, Mr.Purushottam Patodia, Chairman and Managing Director and Mr.B.K. Srinivasa Ragavan, Director (Finance and Admin) as its Members. The Committee did not meet during the financial year ended 31st March 2009 as the terms of reference were transacted by the Board of Directors.

IV. SUBSIDIARY COMPANIES

Mr.B.L.Singhal is nominated to the Board of Directors of ATL Textile Processors Limited, a material non-listed Indian subsidiary of the company.

The Company monitors the performance of its wholly-owned subsidiary companies, inter-alia, by means of –

- The Financial Statements, in particular, the investments, if any, made by the unlisted subsidiary company, are reviewed by the Audit Committee.
- The Minutes of the Board Meetings of the subsidiary companies are noted at the Board Meetings of the company.
- The details of significant transactions and arrangements entered into by the unlisted subsidiary companies are placed before the Board of Directors of the company as and when applicable.

V. Name, designation & address of Compliance Officer:

Mr.S.Rengasamy, Company Secretary, Prime Textiles Limited,
110, Avinashi Road, Gandhinagar P.O., Tirupur 641 603 (T.N.)
Phone:0421-2470198/2470065 Fax:0421-2471463

VI. MANAGEMENT

a. Management Discussion and Analysis

The Directors' Report includes details of Management Discussion and Analysis of business of the company. As required under Clause 49(V) of the Listing Agreement, the CEO and CFO Certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting is enclosed to this Report.

b. Disclosures by the Management to the Board

All details relating to financial and commercial transactions where Directors may have pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.

General Body Meetings during last three years

Date of holding and on Time	29.07.2006 10.45 A.M.	02.03.2007 2.30 P.M.	27.07.2007 10.00 A.M.	23.08.2008 4.00 P.M.
Nature of the Meeting	AGM	EGM	AGM	AGM
Special resolutions put through postal ballot	None	None	None	Yes
Voting pattern	NA	NA	NA	150,27,565 were polled out of which, 7,005 were rejected, 2,700 were cast against, and, 150,17,860 were cast in favour.
Person conducted postal ballot	NA	NA	NA	Mr.G.Chandrasekar, FCA Chartered Accountant, Bangalore

Ensuing Annual General Meeting - Postal Ballots

None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

VII Disclosures

- a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with the promoters, the directors or the management, their subsidiaries or relatives, etc that may have potential conflict with the interests of the company at large :

The Company has not entered into any materially significant related party transactions with its Promoters, Directors, or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with the related parties are disclosed in Note 8 of Part B in Schedule 18 to the financial statements in the Annual Report. The Audit Committee has reviewed the related party transactions as required under mandatory Clause 49 of the Listing Agreement and found them to be not materially significant.

- b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the above.

Code of Conduct

The Company has adopted a "Code of Conduct for Prevention of Insider Trading", meeting the requirements of the Securities and Exchange Board of India (SEBI). The Company Secretary has been appointed as the Compliance Officer for the purpose. The Code is applicable to all those employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company as well as all the Directors. The Company has also adopted Disclosure Practices for meeting the SEBI Regulations.

Risk Management Framework

The Company has in place a mechanism to inform the Board of Directors about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

Details of shareholdings of Non-Executive Directors

Name of Director	No. of shares held
Mr. Banwarilal Singhal	37213

VIII. Means of Communication

- a. Quarterly Results: The Quarterly Results are generally published in "Business Line" and "Dinamalar".
- b. EDIFAR Filing: As per the requirements of Clause 51 of the Listing Agreement, all the data relating to quarterly financial results, shareholding pattern etc. are being electronically filed on the EDIFAR website www.sebiedifar.nic.in within the timeframe prescribed in this regard.
- c. Management Discussion & Analysis Report: The Management Discussion & Analysis Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control systems and adequacy, discussion on financial and operational performance and material developments in human resources are discussed in the said Report.

IX. General Shareholders' Information

Annual General Meeting

Date of Book Closure : September 16, 2009 to September 26, 2009 (both days inclusive)
Day & Date : Saturday, September 26, 2009
Time : 4:00 P.M.
Venue : Registered Office, 110, Avinashi Road, Gandhinagar P.O., Tirupur 641 603 in Tamil Nadu State
Listing on Stock Exchanges : The Company is listed on Bombay Stock Exchange Ltd., and the Coimbatore Stock Exchange Ltd. The annual listing fees have been paid and there is no outstanding payment towards fees payable to the Exchanges, as on date.

Stock Code

Bombay Stock Exchange Ltd. - 521149
Coimbatore Stock Exchange Ltd. - 21006

Financial Calendar (tentative)

First Quarter Results : Fourth week of July, 2009
Second Quarter/Half-Yearly Results : Fourth week of October, 2009
Third Quarter Results : Fourth week of January 2010
Annual Audited Results : Fourth week of June 2010.

Registered Office

Prime Textiles Limited, 110, Avinashi Road, Gandhinagar P.O., Tirupur 641 603 (Tamil Nadu)
Tel. : 0421-2470198, Fax : 0421-2471463
e-mail : rengasamy@ptlonline.com
Homepage : www.ptlonline.com

Registrar and Transfer Agents

S.K.D.C. Consultants Limited, PB No.2979, No.11, Seth Narayandoss Layout,
Street No.1, West Power House Road,
Coimbatore 641 012, Tamilnadu
Phones:(0422)6549995, Fax:(0422) 2499574
Email address:skdccbe@gmail.com

Share transfer system

The Finance Committee has been empowered by the Board for approving transfers/ transmissions of shares, split/consolidation, issue of duplicate share certificates and other allied matters. At its each meeting, the Board is apprised of the details of transfers/ transmissions/issue of duplicate shares.

The Company's Registrars, S.K.D.C. Consultants Limited have adequate infrastructure to process the share transfers. The share transfers received are processed within 15 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. Demat request are processed within 10 days from the date of receipt, to give credit of the shares through the Depository. In compliance with the Listing Guidelines, during every quarter, a practicing Company Secretary audits the System of Transfer and Certificate to that effect is issued.

The Company's scrips form part of the SEBI's Compulsory Demat segment bearing ISIN No. INE419E1024.

The Company's Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India is L17111TZ1936PLC000001. The Company is registered in Tirupur, in the State of Tamil Nadu.

X. Market Price Data

The High and Low prices of the Company's share (of face value of Rs.2/- per share) from April 2008 to March 2009 [Source: BSE Website]:-

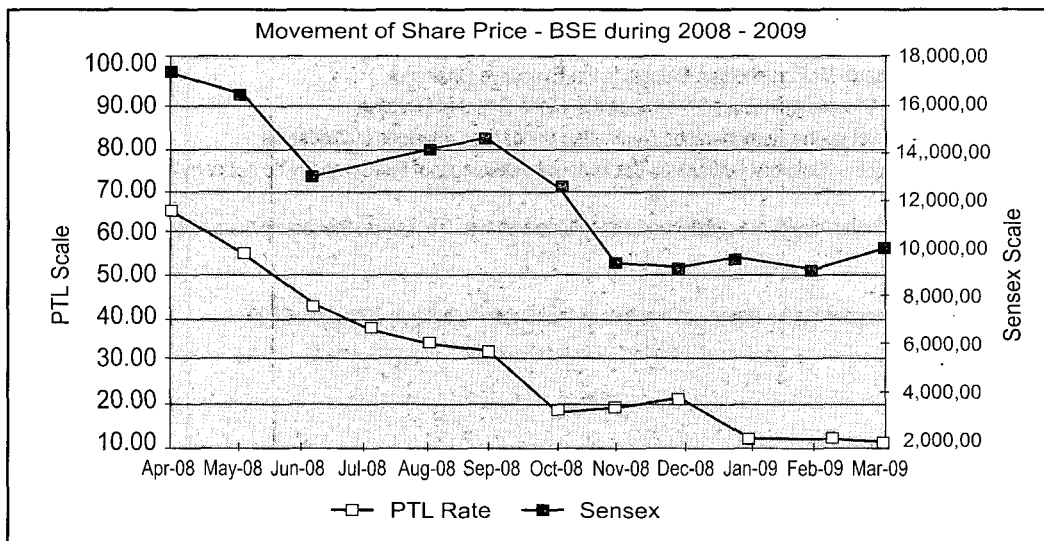
Figures Rs.P.

Month	Month's High	Month's Low
April 2008	71.00	54.90
May 2008	73.40	54.25
June 2008	55.00	42.05
July 2008	42.95	32.60
August 2008	46.40	33.60
September 2008	42.50	32.70
October 2008	31.20	19.10
November 2008	22.30	18.20
December 2008	22.25	19.25
January 2009	21.00	12.85
February 2009	13.45	11.20
March 2009	12.04	8.19

XI Distribution of Shareholding as on 31st March 2009

Shares	Shareholders	Percentage	Shares held	Percentage
Upto 5000	4,662	97.16%	2,754,161	12.11%
5001-10000	42	0.87%	292,077	1.28%
10001-20000	42	0.87%	571,576	2.51%
20001-30000	9	0.19%	213,108	0.94%
30001-40000	6	0.13%	206,597	0.91%
40001-50000	6	0.13%	272,416	1.20%
50001-100000	13	0.27%	879,083	3.87%
100001 above	18	0.38%	17,554,582	77.18%
Grant Total	4,798	100.00%	22,743,600	100.00%

XII. Performance of Company's Share Price to broad based BSE sensx



PRIME TEXTILES LIMITED

XIII Shareholding Pattern as on 31st March 2009

Description of Investors	Number of Shares held	Percentage of holding
1.Promoters	1,42,02,494	62.45
2.Directors and Relatives	94,713	0.42
3.Financial Institutions/Banks	25,000	0.11
4.Corporate Bodies	18,79,367	8.26
5.NRI and OCBs	14,945	0.07
6.FIIS	22,000	0.09
7.Indian Public - individuals	65,05,081	28.60
Total	2,27,43,600	100.00

XIV Dematerialisation of Shares and Liquidity

45.39% (1,03,22,525 equity shares) of the Company's paid-up Equity capital has been dematerialised up to 31st March 2009. Trading in Equity Shares is permitted only in dematerialised form as notified by SEBI. The volumes traded in stock exchanges not high.

XV Unclaimed Dividends

Under the Companies Act 1956, dividends that are unclaimed for a period of seven years statutorily get transferred to the Investor Education and Protection Fund administered by the Central Government and thereafter cannot be claimed by the Investors. To ensure maximum disbursement of unclaimed dividend, the Company has sent a reminder to the respective shareholders to encash the pending dividend amount from the company before transfer of dividend to Investor Education and Protection Fund. Shareholders, who have so far not encashed the previous dividend warrants, are requested to immediately forward the same to the company for revalidation.

XVI Plant Locations :-

Garments Unit

SRC Buildings, B.S.Sundaram Road, Tirupur-641 602 (T.N.)

TFOT Unit

Chikkarasan Palayam, Sathyamangalam, Erode District (T.N.)

B. Non-Mandatory Requirements

1. Chairman of the Board: Mr.Purushottam Patodia is the Executive Chairman.
2. The Company has adopted guidelines for composition of the Board of Directors.
3. The Company has set up the Remuneration Committee under the provisions of Clause 49.
4. *The Audit Report by the Statutory Auditors on the financial statements of the Company do not carry any qualifications made thereunder.*
5. The half-yearly financial results are published as mentioned above. Therefore, the results were not separately circulated to all shareholders.

The above report was adopted by the Board of Directors at their meeting held on 30th June 2009.

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To

Declaration by the CEO and CFO under Clause 49 of the Listing Agreement

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Prime Textiles Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have received the financial statements and the cash flow statement for the year ended 31st March 2009 and based on our knowledge and belief, we state that:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading
 - ii) these 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) We, further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the company.

- c) We accept responsibility for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operational of 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, based on our most recent evaluation, wherever applicable to the Auditors and Audit Committee:
 - i) significant changes, if any, in the internal control over financial reporting during the year
 - ii) significant changes, if any, in the accounting policies made during the year and that the same has 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 significant role in the company's internal control system over financial reporting.

Purushottam Patodia
Chairman & Managing Director & CEO

B.K. Srinivasa Ragavan
Director (Finance & Admin) & CFO

Certificate of Compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement

AUDITORS' CERTIFICATE

The Members of
Prime Textiles Limited
Tirupur

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Prime Textiles Limited ('the Company') for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company in ensuring the compliance of conditions of Corporate Governance as stipulated in the abovementioned Clause. 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, subject to:

1. our reliance upon the certificate received by the Company from its Registrar and Transfer Agent for the number of complaints received from the shareholders and the number of complaints resolved during the financial year and that there are no share transfers pending as at 31st March 2009;
2. our having relied on the representation of the management that there were no transactions of material nature with the management or their relatives that may have a potential conflict with the interest of the Company at large as stated in the disclosure of the Company's report on Corporate Governance.

We certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further 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.

For M.S.Jagannathan & Visvanathan
Chartered Accountants
M.J.Vijayaaraghavan
Partner
Membership Number : 7534

Place : Mumbai
Date : 30.06.2009

AUDITORS' REPORT
AUDITOR'S REPORT TO THE MEMBERS OF PRIME TEXTILES LIMITED

1. We have audited the attached balance sheet of PRIME TEXTILES LIMITED as at 31st March 2009 and also the Profit and Loss Account and the cash flow statement for the year ended on that date. 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 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 the management, as well as evaluating 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 and amended Order 2004 issued by the Central Government of India in terms of sub-section (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;
 - i) 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;
 - ii) 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;
 - iii) The Balance Sheet, Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv) 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 sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
5. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together Significant Accounting Policies and Notes to Accounts in Schedule "18" and those appearing elsewhere in the accounts 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 accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2009
 - b) In the case of Profit and Loss account, Loss of the company for the year ended on that date; and
 - c) In case of the cash flow statement, of the cash flows for the year ended on that date;

For M.S.Jagannathan & Visvanathan
Chartered Accountants
M.J.Vijayaaraghavan
Partner
Membership Number : 7534

Place : Mumbai
Date : 30.06.2009

Annexure referred in our report of even date of the accounts for the year ended 31st March 2009 of PRIME TEXTILES LIMITED.

On the basis of such checks as we considered appropriate during the course of audit, we state that:

- i)
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets are physically verified in a phased manner, which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets and no material discrepancies were noted on such verification.
 - c) During the year, substantial part of Plant and Machinery of Spinning Mill Unit was sold. However, the company operates its other divisions and hence the going concern of the Company is not affected.
- ii)
 - a) The Inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - b) 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 inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii)
 - a) The Company has not granted any loans secured or unsecured to firms, companies or other parties covered in the register maintained under section 301 and hence sub clauses b, c, & d are not applicable.
 - b) The Company has taken advance from a subsidiary company ATL textile processors Limited during previous year and outstanding at the year end was Rs. 524.65 lacs. Maximum outstanding during the year was Rs. 524.79 lacs.
 - c) In our opinion and according to the information and explanations given to us, other terms and conditions on which such loans have been taken from the subsidiary company covered in the Register maintained under section 301 of the Act are prima facie not prejudicial to the interest of the company;
- iv) In our opinion and according to the explanation and information given to us, there is an adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our Audit no major weakness has been noticed in the internal controls.
- v)
 - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the Books of Account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix)
 - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, at the year end for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are following dues of which have not been deposited on account of dispute and the same is being contested by the Company.

Sl. No.	Name of the Statute	Nature of the Dues	Amount Rs. lacs	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act 1961	Incometax	41.43	A.Y.2002-03	Hon'ble High Court, Chennai

- x) The Company has accumulated losses of Rs. 34.69 lakhs as at 31st March 2009. The Company has incurred cash loss of Rs.473.04 lakhs during the financial year covered by our audit and the Company has not incurred any cash loss during the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information, the company has not defaulted in repayment of dues to Financial Institutions, Banks.
- xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) 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 Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xv) During the year, the Company has not given guarantees for loans taken by others from banks.
- xvi) In our opinion and according to the information and explanations given to us, the Company has not borrowed any term loan during the year.
- xvii) 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 time basis have been used for long term investments.
- xviii) 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.
- xix) The company has not issued any debentures during the year.
- xx) The company has not made any Public Issues during the year.
- xxi) According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on/or by the Company has been noticed or reported during the course of our Audit.

For **M.S.JAGANNATHAN & VISVANATHAN**
Chartered Accountants

Place: Mumbai
Date :30 .06.2009

M.J.VIJAYARAAGHAVAN
Partner.
[Membership No.7534]

BALANCE SHEET AS AT 31st MARCH 2009

	Schedule	As at 31.03.2009 Rs. lacs	As at 31.03.2008 Rs. lacs
Sources of Funds			
(1) Shareholders' Funds			
Share Capital	1	454.87	454.87
Reserves and Surplus	2	1,529.80	2,342.55
		<u>1,984.67</u>	<u>2,797.42</u>
(2) Loan Funds			
Secured Loans	3	3,253.57	5,415.45
Unsecured Loans	4	1,054.20	931.90
		<u>4,307.77</u>	<u>6,347.35</u>
(3) Deferred Tax Liability (net)		322.04	500.31
Total		<u>6,614.48</u>	<u>9,645.08</u>
Application of Funds			
(1) Fixed Assets	5		
Gross Block		3,309.22	11,343.87
Less: Depreciation		<u>1,290.30</u>	<u>5,280.99</u>
Net Block		2,018.92	6,062.88
Capital Work - in - Progress		0.00	5.14
		<u>2,018.92</u>	<u>6,068.02</u>
(2) Investments	6	1,006.86	991.76
(3) Current Assets, Loans and Advances	7		
(a) Inventories		2,068.46	2,742.90
(b) Sundry Debtors		1,457.26	312.51
(c) Cash and Bank Balances		718.72	512.85
(d) Other Current Assets		71.07	172.20
(e) Loans and Advances		1,699.78	1,327.04
		<u>6,015.29</u>	<u>5,067.51</u>
Less : Current Liabilities and Provisions	8		
(a) Liabilities		2,629.67	2,814.10
(b) Provisions		<u>11.65</u>	<u>84.70</u>
		2,641.32	2,898.80
Net Current Assets		<u>3,373.97</u>	<u>2,168.71</u>
(4) a) Miscellaneous Expenditure (to the extent not written off/adjusted)			
Voluntary Retirement Scheme Compensation		180.04	416.59
b) Profit and Loss account		34.69	0.00
Total		<u>6,614.48</u>	<u>9,645.08</u>

Significant Accounting Policies and Notes on Accounts

18

Schedule 1 to 8 and 18 form part of this Balance Sheet

As per our report of even date annexed

 For **M.S.Jagannathan & Visvanathan**
Chartered Accountants

M.J.Vijayaagghavan
Partner : M.No.7534
Place : Mumbai
Date : 30.06.2009

Manojkumar Patodia
Vice Chairman & Managing Director

Anuj K. Patodia
Managing Director

B.K.Srinivasa Ragavan
Director (Finance & Admin.)

For and on behalf of the Board

Purushottam Patodia
Chairman & Managing Director

Banwarilal Singhal
Director

S.Rengasamy
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Schedule	Year ended 31.03.2009 Rs. lacs	Year ended 31.03.2008 Rs. lacs
INCOME			
Turnover	9	7,644.46	10,644.20
Less: Excise Duty		0.00	0.00
		<u>7,644.46</u>	<u>10,644.20</u>
Other Income	10	44.62	44.69
Increase / (Decrease) in Stocks	11	(479.18)	(736.19)
		<u>7,209.90</u>	<u>9,952.70</u>
EXPENDITURE			
Cost of Materials	12	2,640.27	5,283.61
Personnel Expenses	13	549.78	903.51
Power and Fuel Consumed		148.02	773.56
Stores, Spares and Packing Materials Consumed		110.37	326.94
Processing Charges		573.19	638.32
Repairs and Maintenance	14	29.21	82.33
Selling and Distribution Expenses	15	425.53	487.22
Administrative and Other Expenses	16	557.55	539.25
Interest	17	552.96	721.81
		<u>5,586.88</u>	<u>9,756.55</u>
Profit before Depreciation, Exceptional items and Tax		<u>1,623.02</u>	<u>196.15</u>
Amortisation of Miscellaneous Expenditure		255.74	113.95
Depreciation	202.61		521.55
Less: Transfer from Revaluation Reserve	0.00		(46.27)
		<u>202.61</u>	<u>475.28</u>
Profit / (Loss) before Exceptional items and Tax		<u>1,164.67</u>	<u>(393.08)</u>
Exceptional items including Loss on sale assets		<u>2,096.06</u>	<u>0.00</u>
Profit / (Loss) before Tax		<u>(931.39)</u>	<u>(393.08)</u>
Provision for Current Tax	0.00		0.00
Provision for Deferred Tax Benefit / (Expense)	178.28		434.73
Provision for Fringe Benefit Tax	(13.59)		(15.82)
Minimum Alternate Tax Credit entitlement of prior years	0.00	164.69	7.90
		<u>164.69</u>	<u>426.81</u>
Profit / (Loss) after Tax		<u>(766.70)</u>	<u>33.73</u>
Surplus brought forward from previous year		85.86	18.29
Transfer from General Reserve		646.15	75.00
Surplus available for appropriations / (Deficit carried over)		<u>(34.69)</u>	<u>127.02</u>
APPROPRIATIONS			
Proposed Dividend - Equity Shares		0.00	27.29
Dividend for Preference Shares		0.00	7.89
Tax on distributed profits		0.00	5.98
Surplus / (Deficit) carried over		(34.69)	85.86
		<u>(34.69)</u>	<u>127.02</u>
Basic/diluted Earnings Per Share face value of Rs.2 /- each		(3.37)	0.11
Significant Accounting Policies and Notes on Accounts	18		

Schedule 9 to 18 form part of this Profit and Loss account

As per our report of even date annexed

For **M.S.Jagannathan & Visvanathan**
Chartered Accountants

M.J.Vijayaraaghavan
Partner : M.No.7534
Place : Mumbai
Date : 30.06.2009

Manojkumar Patodia
Vice Chairman & Managing Director

Anuj K. Patodia
Managing Director

B.K.Srinivasa Ragavan
Director (Finance & Admin.)

For and on behalf of the Board

Purushottam Patodia
Chairman & Managing Director

Banwarilal Singhal
Director

S.Rengasamy
Company Secretary

PRIME TEXTILES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED :	31.03.2009 Rs. lacs	31.03.2008 Rs. lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	(931.39)	(393.08)
Adjustments for:		
Depreciation	202.61	475.28
Loss /(Profit) on sale of assets	2,000.35	13.71
Deferred Revenue Expenditure & Prel.Expenses	236.55	(199.75)
Interest received	(33.53)	(20.39)
Interest charged	552.96	721.81
	<u>2,958.94</u>	<u>990.66</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>2,027.55</u>	<u>597.58</u>
Adjustments for:-		
Trade and other receivables	(1,816.36)	635.90
Inventories	674.44	1,846.79
Trade payables	(244.87)	217.21
	<u>(1,386.79)</u>	<u>2,699.90</u>
CASH GENERATED FROM OPERATIONS	<u>640.76</u>	<u>3,297.48</u>
Direct taxes paid	<u>(15.76)</u>	<u>(30.77)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>625.00</u>	<u>3,266.71</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(1.73)	(102.64)
Purchase of Investments	(15.00)	(1.00)
Sale of Fixed assets	1,767.14	37.71
Interest received	33.53	20.39
	<u>1,783.94</u>	<u>(45.54)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>1,783.94</u>	<u>(45.54)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Share Capital	0.00	(150.00)
Proceeds from / (Redemption in) Long term borrowings	(2,190.92)	(686.33)
Proceeds from / (Redemption in) Short term borrowings	151.34	(1,517.11)
Interest paid	(530.39)	(730.50)
Dividend paid	(35.27)	(39.24)
	<u>(2,605.24)</u>	<u>(3,123.18)</u>
CASH USED IN FINANCING ACTIVITIES	<u>(2,605.24)</u>	<u>(3,123.18)</u>
NET INCREASE\DECREASE IN CASH AND CASH EQUIVALENTS	<u>(196.30)</u>	<u>97.99</u>
Cash and cash Equivalents - Opening Balances	256.11	158.12
Cash and cash Equivalents - Closing Balances	59.81	256.11

Note:- 1. Margin Money Deposits have been included under "Trade and other receivables"

2. The above Cash Flow Statements prepared in indirect method as per AS-3 Cash Flow Statements issued by ICAI

As per our report of even date annexed

For and on behalf of the Board

For **M.S.Jagannathan & Visvanathan**
Chartered Accountants

Manojkumar Patodia
Vice Chairman & Managing Director

Purushottam Patodia
Chairman & Managing Director

M.J.Vijayaraaghavan
Partner : M.No.7534
Place : Mumbai
Date : 30.06.2009

Anuj K. Patodia
Managing Director
B.K.Srinivasa Ragavan
Director (Finance & Admin.)

Banwarilal Singhal
Director
S.Rengasamy
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009

	As at 31.03.2009 Rs. lacs	As at 31.03.2008 Rs. lacs
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
6,25,00,000 Equity Shares of Rs. 2 each	1,250.00	1,250.00
7,50,000 Preference Shares of Rs.100 each	750.00	750.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued :		
2,27,44,300 Equity Shares of Rs. 2 each	454.89	454.89
1,50,000 8% Cumulative Preference Shares of Rs.100 each	150.00	150.00
	<u>604.89</u>	<u>604.89</u>
Subscribed and paid up:		
2,27,43,600 Equity Shares of Rs. 2 each fully paid up	454.87	454.87
	<u>454.87</u>	<u>454.87</u>
Total	<u>454.87</u>	<u>454.87</u>
Equity Shares includes 13,44,600 shares of Rs.2 each allotted as fully paid bonus shares by capitalisation of general reserve.		
SCHEDULE 2 : RESERVES AND SURPLUS		
General Reserve:		
As per Last Balance Sheet	646.15	871.15
Add: Transfer from / (to) Profit and Loss Account	(646.15)	(75.00)
	(0.00)	796.15
Add: Transfer from / (to) Capital Redemption Reserve	0.00	(150.00)
	(0.00)	646.15
Capital Redemption Reserve :		
As per last Balance Sheet	650.00	500.00
Add: Transfer from General Reserve	0.00	150.00
	<u>650.00</u>	<u>650.00</u>
Securities Premium Account :		
As per last Balance Sheet	540.00	540.00
Revaluation Reserve :		
As per last Balance Sheet	420.54	537.26
Less : Transfer to Profit and Loss account	0.00	(46.27)
Less : Withdrawals on assets sold	(80.74)	(70.45)
	<u>339.80</u>	<u>420.54</u>
Surplus in Profit and Loss Account	0.00	85.86
Total	<u>1,529.80</u>	<u>2,342.55</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009

	As at 31.03.2009 Rs. lacs	As at 31.03.2008 Rs. lacs
SCHEDULE 3 : SECURED LOANS		
(1) Loans and Advances from		
(a) Banks		
(i) Term Loans	375.80	2,158.09
(ii) Working Capital Advances	2,763.30	2,734.26
(b) Financial Institutions		
Term Loans	58.34	450.00
(c) Others	56.13	73.10
Total	<u>3,253.57</u>	<u>5,415.45</u>

(For details of security-refer -notes,Part B-2 in Schedule 18)

SCHEDULE 4 : UNSECURED LOANS**i) Loans**

(a) Fixed Deposits - from Public	82.00	197.06
(b) Fixed Deposits - from Directors	39.00	72.00
(Fixed Deposits repayable within one year Rs. 4.34 lacs; previous year Rs. 173.31 lacs)		
(c) Intercompany Deposits (short term)	408.55	138.05

ii) Advances

From Subsidiary Company-(short term)	524.65	524.79
Total	<u>1,054.20</u>	<u>931.90</u>

SCHEDULE - 5 : FIXED ASSETS

Rs. lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2008	Additions during the Year	Deductions during the Year	As at 31.03.2009	Upto 31.03.2008	For the Year	Withdrawn	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
Land-Free hold	468.87	0.00	0.06	468.81	0.00	0.00	0.00	0.00	468.81	468.87
Buildings	1,618.42	0.00	1,116.87	501.55	692.74	20.86	551.27	162.33	339.22	925.68
Plant & Machinery	8,915.57	3.73	6,923.40	1,995.90	4,479.33	159.02	3,641.34	997.01	998.89	4,436.24
Furniture & Office Equipments	187.09	3.14	0.57	189.66	89.67	7.07	0.15	96.59	93.06	97.42
Vehicles	153.88	0.00	0.62	153.26	19.25	15.66	0.54	34.37	118.89	134.63
Livestock	0.04	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.04	0.04
Total	11,343.87	6.87	8,041.52	3,309.22	5,280.99	202.61	4,193.30	1,290.30	2,018.91	6,062.88
Corresponding previous year	11,424.33	97.49	177.95	11,343.87	4,815.52	521.55	56.08	5,280.99	6,062.88	

Note: i) Vehicles include cars costing Rs.130.40 lacs (previous year Rs.141.85 lacs) purchased on Hire-purchase basis.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009

	As at 31.03.2009 Rs. lacs	As at 31.03.2008 Rs. lacs
SCHEDULE 6 : INVESTMENTS LONG TERM - AT COST		
Trade - Unquoted		
YS Spinners Limited		
129,000 Equity Shares of Rs.10 each	12.90	12.90
Prime Processors Limited		
70,000 Equity Shares of Rs.10 each	7.00	7.00
ATL-Selina Innerwear Private Limited		
15,000 Equity Shares of Rs.10 each	1.50	1.50
Tiruppur Infrastructure Development Company Limited		
500 Equity Shares of Rs.1000 each	5.00	5.00
Wholly Owned Subsidiary:-		
ATL Textile Processors Limited		
10,37,450 Equity Shares of Rs.10 each	514.45	514.45
Manoj Yarn Processors Limited		
50,900 Equity Shares of Rs.10 each	5.09	5.09
Peedee Yarn Processors Limited		
10,900 Equity Shares of Rs.10 each	1.09	1.09
Prime Hometex Industries (India) Limited		
45,50,000 Equity Shares of Rs. 10 each	455.00	455.00
Non Trade - Quoted		
Velan Hotels Limited		
2,000 Equity Shares of Rs.10 each	0.20	0.20
Non Trade - Unquoted		
Metal Industries Limited		
800 Equity Shares of Rs.10 each	0.08	0.08
Asher Textiles Mills Co-operative Stores Limited		
200 Equity Shares of Rs.5 each	0.01	0.01
Capital in Partnership Firm : (Ref. Note Part B4 in Schedule 18)		
Prime Developers	1.00	1.00
Prime Mall Developers	1.00	1.00
Prime Newline AOP	15.00	0.00
Government Securities		
National Savings Certificate	0.50	0.50
	<u>1019.82</u>	<u>1004.82</u>
Less: Provision for diminution in value	12.96	13.06
Total	<u>1006.86</u>	<u>991.76</u>
Aggregate book value of quoted investments	0.20	0.20
Aggregate market value of quoted investments	0.14	0.04
Aggregate book value of unquoted investments	<u>1019.62</u>	<u>1004.62</u>
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES:		
A. Current Assets:		
(a) Inventories :		
As valued and certified by the Management		
Stores, spares and packing materials	31.23	160.31
Stock in Trade :		
Raw materials	429.41	495.59
Finished goods	1,607.82	2,087.00
	<u>2,068.46</u>	<u>2,742.90</u>
(b) Sundry Debtors :		
Unsecured, considered good-unless otherwise stated		
(i) Debts outstanding for a period exceeding six months		
Considered doubtful	34.02	25.51
Less: Provision for doubtful debts	(34.02)	(25.51)
Considered good	24.85	30.59
(ii) Other debts	1,432.41	281.92
Total	<u>1,457.26</u>	<u>312.51</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2009

	As at 31.03.2009 Rs. lacs	As at 31.03.2008 Rs. lacs
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES:CONTD		
(c) Cash and Bank Balances:		
(i) Cash on hand	8.12	20.08
(ii) With Scheduled banks		
a) In Current Accounts	44.45	228.49
b) In Margin money and other Lien Deposits	658.91	256.74
c) In Unpaid Dividend Account	7.24	7.33
(iii) Post Office savings account	0.00	0.21
	<u>718.72</u>	<u>512.85</u>
(d) Other Current Assets		
Interest accrued on Deposits	6.34	5.94
Income and other receivables	64.73	166.26
	<u>71.07</u>	<u>172.20</u>
Sub-Total (A)	<u>4,315.51</u>	<u>3,740.46</u>
B. Loans and Advances		
Unsecured-considered good, unless otherwise stated		
a) Advances recoverable in cash or in kind or for value to be received		
Considered Good	1,435.19	1,031.66
Considered Doubtful	3.39	0.00
Less : Provision for doubtful advances	(3.39)	0.00
b) Advance to Subsidiary Companies	83.37	82.45
c) Prepaid expenses	33.99	47.45
d) Advance Tax including tax deducted at source {Net of provisions of Rs. 87.58 lacs ; previous year Rs.73.49 lacs}	70.26	68.10
e) Income Tax Refund Receivable	27.97	28.44
f) Deposits	48.28	67.47
g) Balance with Statutory authorities	0.72	1.46
Sub-total (B)	<u>1,699.78</u>	<u>1,327.04</u>
Total (A + B)	<u>6,015.29</u>	<u>5,067.50</u>
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
Due to Small Scale Industrial Units (SSI)	0.00	0.00
Due to Micro, Small and Medium Enterprises	0.00	0.00
Due to other than Micro, Small and Medium Enterprises	836.67	615.57
Other current liabilities	218.44	772.28
Current Account outstanding in Partnership firms	1,402.13	1,389.65
Interest accrued but not due on loans	51.09	28.52
Unclaimed Dividends **	7.24	7.33
Unclaimed Fixed Deposits	114.10	0.75
Sub-Total (A)	<u>2,629.67</u>	<u>2,814.10</u>
B. Provisions		
For Dividend	0.00	35.19
For Tax on distributed profits	0.00	5.98
For Pension, Gratuity and Superannuation Fund	11.65	43.53
	<u>11.65</u>	<u>84.70</u>
Total (A + B)	<u>2,641.32</u>	<u>2,898.80</u>

(** There are no amounts due and outstanding to be credited to Investors Education and Protection Fund)

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Year ended 31.03.2009	Year ended 31.03.2008
SCHEDULE 9 : TURNOVER		
Textiles Segment		
Cotton Yarn	2,867.70	6,234.61
Knitted Garments & Fabrics	1,159.64	1,230.66
Export Incentives	115.70	260.20
Waste	13.60	245.49
Process Receipts	141.58	12.74
Realty Segment		
Profit on Sale of Land	102.68	2,423.50
Consideration towards transfer of development rights and FSI	3,050.00	0.00
Share of Profit from a firm	193.56	237.00
Total	<u>7,644.46</u>	<u>10,644.20</u>
SCHEDULE 10 : OTHER INCOME		
Miscellaneous Income	9.34	22.86
Interest receipts (TDS Rs. 4.47 lacs previous year Rs.4.13 lacs)	33.53	20.39
Diminution in value of investment	0.10	0.00
Dividend receipts	0.01	0.00
Insurance claim received	1.64	1.44
Total	<u>44.62</u>	<u>44.69</u>
SCHEDULE 11: INCREASE /(DECREASE) IN STOCKS		
Stock at Closing:		
Finished Goods	1,607.82	2,087.00
(A)	<u>1,607.82</u>	<u>2,087.00</u>
Less:		
Stock at Commencement:		
Finished Goods	2,087.00	2,483.46
Stocks in Process	0.00	332.35
Waste	0.00	7.38
(B)	<u>2,087.00</u>	<u>2,823.19</u>
(A)-(B)	<u>(479.18)</u>	<u>(736.19)</u>
SCHEDULE 12: COST OF MATERIALS		
Opening Stock of Materials	495.59	1,616.28
Add: Purchases	2,574.09	4,162.92
	3,069.68	5,779.20
Less: Closing stock of Materials	429.41	495.59
Cost of materials	<u>2,640.27</u>	<u>5,283.61</u>
Total		

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Year ended 31.03.2009	Year ended 31.03.2008
SCHEDULE 13: PERSONNEL EXPENSES		
Salaries, Wages, Bonus and others	335.55	608.95
Managerial Remuneration	103.41	111.54
Director's Remuneration	23.97	14.26
Contribution to Provident and other Funds	66.49	107.92
Welfare Expenses	20.36	60.84
Total	<u>549.78</u>	<u>903.51</u>
SCHEDULE 14: REPAIRS AND MAINTENANCE		
Buildings	9.69	9.13
Machinery	12.56	61.37
Others	6.96	11.83
Total	<u>29.21</u>	<u>82.33</u>
SCHEDULE 15: SALES AND DISTRIBUTION EXPENSES		
Brokerage and Commission	127.29	178.44
Freight, Forwarding and Other Expenses	298.24	308.79
Total	<u>425.53</u>	<u>487.22</u>
SCHEDULE 16: ADMINISTRATIVE AND OTHER EXPENSES		
Insurance	32.35	42.68
Postage, Telephone, Printing and Stationery	44.25	47.89
Travelling and Motor Vehicle maintenance	104.53	149.24
Bank Charges, Filing Fees, Subscription and Advertisement	111.71	105.76
Rent	91.49	75.77
Rates & Taxes	25.10	20.43
Directors' Sitting Fees	3.50	3.08
Auditors' Remuneration and Expenses	2.28	1.93
Loss on sale of assets (net)	4.30	13.71
Bad debts written off	20.23	0.00
Provision for Bad and doubtful debts	11.54	0.00
Donations	0.42	0.71
Miscellaneous Expenses	105.85	78.05
Total	<u>557.55</u>	<u>539.25</u>
SCHEDULE 17: INTEREST		
On Fixed Loans	115.17	185.58
On Others	437.79	536.23
Total	<u>552.96</u>	<u>721.81</u>

SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS**PART A: SIGNIFICANT ACCOUNTING POLICIES****1. General:**

Accounts are prepared on historical cost (except for certain fixed assets which have been revalued) and on the accounting principles of a going concern.

The mercantile system of accounting is followed and income and expenditure are recognized on accrual basis except those with significant uncertainties.

2. Fixed Asset:

Fixed Assets are stated at cost of acquisition or construction (net of CENVAT Credits) less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date the asset is put to use and adjustments arising out of exchange rate variation relating to borrowings attributable to those fixed assets.

3. Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that any asset/group of assets may be impaired. If any such indication exists, the carrying value of such assets is reduced to recoverable amount and the impairment loss is charged to Profit and Loss Account. If at Balance Sheet date, there is any deduction that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

4. Investments:

Long-term investments are stated at cost less provisions, if any, for permanent diminution in value for other than temporary.

5. Valuation of Inventories:

- i. Inventories are valued at lower of cost and net realizable value.
- ii. Cost of raw materials is determined on specific identification method
- iii. Stock of stores, spares and packing materials is determined on weighted average method.
- iv. Finished goods and work in progress include conversion and other costs incurred in bringing the inventories to their present location and condition.

6. Revenue Recognition :

Textile Manufacturing: Product sales are exclusive of the excise duty, VAT, insurance and trade discounts. Sales for exports are accounted on the date of issue of the Mate Receipt.

Real Estate projects: Revenue from real estate projects is recognized when significant risks and rewards of ownership have been transferred and it is probable that the economic benefits will flow to the Company. Losses expected in bringing a contract to completion are recognized in the income statement as soon as they are forecast.

- i) Sale of undivided share of land under group housing is recognized upon transfer of all significant risks and rewards of ownership as per terms of the contracts executed with the buyers and is net of all costs.
- ii) Revenue from executor firms/AOP in which the company is a partner member is recognized upon the said entity recognizing their respective revenues.
- iii) Revenue from contractual projects is recognized on the basis of completion of a physical proportion of the contract work based on executed agreements entered into by the company or by firms in which the company is a partner.
- iv) Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards of ownership, no continuing management involvement and effective control are retained and the amount of revenue can be reliably measured. The transfer of risks and rewards vary depending on the individual terms of the contracts of sale.

7. Borrowing costs:

Borrowing costs related to acquisition and construction of qualifying assets is capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

8. Depreciation:

- i) Depreciation on fixed assets acquired prior to 1.4.90 has been provided on written down value method and on additions thereafter have been provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Spinning as a process of manufacture has been considered on technical assessment as a continuous process plant as defined in Schedule XIV to the Companies Act, 1956 and depreciation has been provided accordingly.
- iii) Depreciation on assets revalued is calculated on their respective book values on straight-line method. The additional charge of depreciation on account of revaluation is deducted from the Revaluation Reserve and credited to the Profit and Loss Account.
- iv) No depreciation is provided on assets sold during the year.

9. Employee benefits:

Short term employee benefits including accrued liability for Leave Encashment (other than termination benefits) which are payable within 12 months after the end of the period in which the employees render service are paid/provided during the year as per the Rules of the Company.

Defined Contribution Plans:

Company's contributions paid/payable during the year to Provident and Family Pension Funds, Superannuation Fund (wherever opted) and Employees State Insurance are recognized in the Profit and Loss account.

Defined Benefit Plans:

The Employees' Gratuity Fund Scheme covered by the Group Gratuity cum-Life Assurance Policy of LIC of India is a Defined Benefit Plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method which recognizes each period of service as giving rise to additional amount of employees benefit entitlement and measures each unit separately to build up the final obligation.

Termination Benefits:

Compensation to employees opting for retirement under the Voluntary Retirement Schemes of the Company are amortized as follows:

- i) Sixty (60) months for payments made before 31.03.2006 from the month of incurrence.
- ii) Twenty five (25) months for payments made during the year ended 31.03.2008 from the month of incurrence.

10. Foreign Currency Transactions:

- i) Export sales in foreign currency are accounted for at the exchange rate prevailing on the date of negotiation, where such sales are not covered by forward contracts. Outstanding export documents pending negotiation when not covered by foreign exchange forward contracts are accounted for at the prevailing conversion rates at the close of the year and the difference in actual realization of such documents is accounted for in foreign exchange fluctuation account to be credited/charged to the profit & loss account in the year of realization.
- ii) Foreign currency loans availed prior to 1st April, 2004 for acquiring fixed assets are translated at the exchange rates prevailing at the end of the year. Gains or losses on translation are adjusted to the carrying cost of such fixed assets.
- iii) Foreign currency assets and liabilities are stated at the rate of exchange prevailing at the year-end and resultant gains/losses are recognized in the Profit and Loss account. Exchange difference in respect of foreign exchange forward contracts (other than for acquisition of fixed assets) is recognized as income or expense over the life of the contract.

11. Taxation:

- i) Provision for Current Tax and Fringe Benefit Tax is made on the basis of estimated taxable income for the year or computed in accordance with the Income-Tax Act, 1961.
- ii) Deferred tax on account of timing differences between taxable income and accounting income is recognized using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these would be realized in future.

12. Lease Rentals:

Lease payments under an operating lease are recognized as an expense in the statement of profit and loss account on the basis of time pattern of the Company's benefit.

13. Contingent Liabilities:

Contingent Liabilities are disclosed in the Notes to Accounts and are determined based on the perception of the Management on the eventuality of the liability materiality, contingent thereto.

14. Research and Development Expenditure:

Capital expenditure on Research and Development is treated in the same manner of treatment in respect of fixed assets. Revenue expenses are charged to the profit and loss account in the year in which they are incurred.

15. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statement and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to the estimates is recognized prospectively.

PART B: NOTES ON ACCOUNTS:

	Rs.lacs 31.03.2009	Rs.lacs 31.03.2008
1) A) Contingent liabilities not provided for in respect of		
(a) Disputed tax demands		
i) Sales tax, cess etc.	5	10
ii) Incometax	76	76
Total	<u>81</u>	<u>86</u>
 (b) Export documentary bills discounted with Bank (since realized Rs.371.44 lacs : previous year Rs. 434.91 lacs)	 580	 707
 (c) Corporate Guarantee for loan borrowed from State Bank of Patiala by M/s. Prime Developers (in which Company is a partner) has since been fully repaid (previous year outstanding Rs.922.39 lacs)	 Nil	 3100
 B) Capital Commitments		
Capital Commitments outstanding (net of advances)	Nil	Nil
 C) Licensed and installed Capacity:		
<u>Licensed Capacity</u>		
Cotton yarn Ring spindles	NA	NA
Knitted Fabrics Metric Tonnes	402	402
Knitted Garments Numbers	6,90,000	6,90,000
<u>Installed Capacity</u>		
Cotton yarn Ring spindles	Nil	48,504
Knitted Fabrics Metric Tonnes	Nil	Nil
Knitted Garments Numbers	6,50,000	6,50,000
 D) Production:		
Cotton yarn Manufactured Kgs.	Nil	17,96,860
Cotton yarn Outsourced Kgs.	15,00,068	14,58,740
Knitted Garments- Manufactured (numbers)	5,16,057	6,60,541
Knitted Garments-Job Processed (numbers)	2,36,213	921

Closing stock of yarn is net of process loss of 0.11 lacs kgs. (previous year 0.75 lacs kgs)

		31.03.2009		31.03.2008	
		Quantity	Value Rs.lacs	Quantity	Value Rs.lacs
Yarn Division	Kgs	16,80,505	2,866	33,57,703	6,234
Fabrics	Mtrs	3,581	2	600	1
Knitted Garments	Numbers	7,29,113	1,160	7,74,844	1,230

F) Stock of Finished Goods.

Opening Stock - Yarn	Kgs	4,25,056	6,02,795
- Garments	Numbers	2,78,710	4,03,841
Closing Stock - Yarn	Kgs	2,25,006	4,25,056
- Garments	Numbers	3,03,462	2,78,710

PRIME TEXTILES LIMITED

	31.03.2009	Value	31.03.2008	Value
	Quantity	Rs.lacs	Quantity	Rs.lacs
G) Raw material consumed:				
Cotton	Nil	Nil	26,74,108	2,199
Cotton sold	1,19,071	72	Nil	Nil
Cotton Yarn (outsourced)	15,11,968	2,311	14,41,313	2,716
Garments-Fabrics & Yarn		507		369
Total		2,640		5,284

H) Value of Imports on CIF Basis:

a) Raw Materials-Cotton	Nil	255
b) Components and spare parts	31	11
c) Capital goods	Nil	Nil

	31.03.2009	% of	31.03.2008	% of
	Rs.lacs	consumption	Rs.lacs	consumption

I) Value of Raw materials, spares, consumables and components consumed

a) Raw Materials:

a) Imported	Nil	Nil	557	10.54
b) Indigenous	2,640	100.00	4,727	89.46
Total	2,640	100.00	5,284	100.00

b) Stores, spares and packing materials consumed:

a) Imported	30	27.87	15	4.59
b) Indigenous	80	72.13	312	95.41
Total	110	100.00	327	100.00

	31.03.2009	31.03.2008
	Rs. lacs	Rs.lacs.
J) Expenditure in foreign currency:		
Sales commission, traveling and Interest etc.,	93	178
K) Earnings in foreign currency:		
Exports in FOB value	3,466	5,683

2) Secured loans dealt in Schedule 3 of the Balance Sheet are secured as under: -

- Term loans (other than a short term loan from a bank) secured by a first pari-passu charge by way of equitable mortgage on all immovable properties, both present and future, excluding land admeasuring 10.91 acres and buildings appurtenant thereto and the said loans are further secured by hypothecation of movable assets of the Company (except book debts) subject to prior charges in favour of banks against working capital advances. By way of collateral security, a wholly owned subsidiary of the Company, has extended a corporate guarantee to the term lending institutions.
- Hire purchase loans and term loans for purchase of vehicles are secured by hypothecation of respective assets.
- Working capital advances from banks are secured by hypothecation of current assets and further secured by way of second charge over the assets mentioned in para (a) above and are guaranteed by three of the Directors of the Company.

- The land, buildings and machineries were revalued as on 31.03.1992 on the basis of reports of approved valuers on market value/replacement cost basis using standard indices after assessing the obsolescence and the age of the respective assets and a sum of Rs.2,323.26 lacs being the increase in the value of said assets was credited to the Revaluation Reserve Account.

- b. The revalued amounts (net of withdrawals) remaining substituted for the historical cost in the Gross Block of Fixed Assets at the close of the year was:

	31.03.2009 Rs.lacs	31.03.2008 Rs.lacs
Assets Revalued:		
Land	339.80	399.85
Roads and Buildings	Nil	449.10
Plant and Machinery	Nil	486.97
Total	<u>339.80</u>	<u>1275.92</u>

- 4) Firms / AOP in which the Company is a Partner / Member :

a) M/s.Prime Developers

Name of Partners	Capital invested Rs.lacs	Share in Profits	Share in Losses
Prime Textiles Limited	1.00	50.00%	66.66%
Pudumjee Industries Limited	1.00	12.50%	16.67%
Suma Commercial Pvt. Limited	--	12.50%	16.67%
Aristo Realty Developers Limited	--	25.00%	0.00%

b) M/s.Prime Mall Developers

Name of Partners	Capital invested Rs.lacs	Share in Profits	Share in Losses
Prime Textiles Limited	1.00	50.00%	66.66%
Pudumjee Plant & Laboratories Limited	1.00	25.00%	33.34%
Aristo Realty Developers Limited	--	25.00%	0.00

c) Prime - Newline AOP

Name of Members	Capital invested Rs.lacs	Share in Profits	Share in Losses
Prime Textiles Limited	15.00	77.50%	77.50%
Newline Buildtech (P) Ltd	5.00	22.50%	22.50%

- 5) Managerial Remuneration under section 198 of the Companies Act, 1956:

Remuneration /Perquisites for the year ended		
Salary	79.43	83.64
House Rent Allowance	0.59	0.78
Contribution to Provident Fund	9.54	10.04
Contribution to Superannuation	10.33	10.87
Perquisites	3.52	4.16
Gratuity	0.00	2.05
Total	<u>103.41</u>	<u>111.54</u>

Note:

Since no commission is being paid to the Managerial personnel, computation of net profit under section 349 of the Companies Act, 1956 has not been given.

- 6) Auditors' Remuneration and expenses:

a) Audit Fees:

Statutory Auditors	1.05	0.90
Branch Auditors	0.19	0.19

b) Tax Audit Fees:

Statutory Auditors	0.12	0.12
Branch Auditors	0.00	0.06

c) Other Fees to Auditors:

Taxation representation	0.20	0.24
Out of pocket expenses	0.15	0.01
Certification fees	0.42	0.26
Service Tax	0.15	0.15

Total	<u>2.28</u>	<u>1.93</u>
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PRIME TEXTILES LIMITED

- 7) Foreign Exchange transactions:
- Amount of Foreign Exchange difference (net) credited in the Profit and Loss Account Rs 30.06 lacs [previous year Rs.(17.71) lacs]
 - Foreign exchange difference (net) on capital account (reduced) to the cost of respective fixed assets Rs. Nil lacs [previous year Rs. Nil lacs]

8) Disclosure in respect of related parties pursuant to Accounting Standard 18 (AS 18):-

List of Related Parties and nature of relationships:

- Where control exists: (Wholly owned subsidiary companies):
ATL Textile Processors Limited, Manoj Yarn Processors Limited, Pee Dee Yarn Processors Limited
Prime Hometex Industries (India) Limited
- Other Parties with whom the Company has entered into transactions during the year:
 - Associates:-
Prime Processors Limited, ATL Selina Innerwear Private Limited, Prime Developers
Prime Mall Developers, Prime-Newline AOP
 - Key Managerial Personnel
Mr. Purshottam Patodia, Chairman & Managing Director, Mr. Manojkumar Patodia, Managing Director
Mr. Anuj K. Patodia, Executive Director
 - Enterprises having Common key Management Personnel
Pat Credit Limited, Anjana Syntex Co. Limited
 - Relatives of Key Managerial Personnel:
Mr. Madanlal Patodia, Father of Mr. Purushottam Patodia
Mrs. Indiradevi Patodia, wife of Mr. Purushottam Patodia
Mrs. Nandita Patodia, wife of Mr. Manojkumar Patodia
Mrs. Meenal Patodia, wife of Mr. Anuj K. Patodia

iii) Transactions with related parties in the ordinary course of business:

Rs.in lacs

Sl. No.	Nature of Transaction	Subsidiary Companies	Associates	Key Managerial Personnel	Enterprises/ Relatives of Key Managerial Personnel	Total
1.	Purchase of goods	Nil	0.21 (Nil)	Nil (Nil)	Nil (Nil)	0.21
2.	Sale of goods	Nil	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil
3.	Sale of Fixed Assets	Nil	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil
4.	Job charges paid	Nil	Nil (67.88)	Nil (Nil)	Nil (Nil)	Nil (67.88)
5.	Rent received	Nil	0.18 (Nil)	Nil (Nil)	Nil (Nil)	0.18 Nil
6.	Rent /Dividend paid	Nil	Nil (Nil)	Nil (Nil)	Nil (Nil)	(Nil) Nil
7.	Job charges received	Nil	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8.	Share of Profit on firm :	(Nil)	193.56 (236.99)	Nil (Nil)	Nil (Nil)	193.56 (236.99)
9.	Expenses reimbursed	(Nil)	82.56 (25.70)	Nil (Nil)	Nil (Nil)	83.62 (39.47)
10.	Interest received	Nil	11.82 (Nil)	Nil (Nil)	Nil (Nil)	11.82 (0.18)
11.	Directors' Remuneration paid/sitting fees	1.06 (13.77)	Nil (Nil)	103.41 (111.50)	1.78 (1.64)	105.20 (113.19)
12.	Balances as on 31.03.2009	Nil (Nil)				
	ATL Textile Processors Ltd.	524.65 cr (524.79)cr				524.65 cr (524.79)cr
	Pee Dee Yarn Processors Ltd.	1.97 Dr (1.86)Dr				1.97 Dr (1.86)Dr
	Manoj Yarn Processors Ltd.	50.35 Dr (50.02)Dr				50.35 Dr (50.02)Dr
	Prime Hometex Industries (India) Ltd.	31.05 Dr (30.57)Dr				31.05 Dr (30.57)Dr
	Fixed Depsits			84.50 (72.00)	59.50 (59.50)	144.00 (131.50)
	ATL Selina Innerwear P Ltd.		233.17Dr (232.88)Dr			233.17Dr (232.88)Dr
	Prime Developers		131.88 Cr (56.49)Cr			131.88Cr (56.49)Cr
	Prime Mall Developers		1270.25Cr (1308.16)Cr			1270.25Cr (1308.16)Cr
	Prime Processors Ltd.		16.19Dr (30.57)Dr			16.19Dr (30.57)Dr
	Prime-Newline AOP		58.46Dr (Nil)			58.46Dr (Nil)

Figures in brackets represent previous year's figures.

Note: No amount in respect of above related parties has been written off, provided for or written back.

The balance in Prime Developers is net off profit of Rs. 193.56 lacs.

9) Advances in the nature of loans to associates/employees (Disclosure pursuant to clause 32 of the Listing Agreement):(Condd.)

Name	Rate of Interest	Amount outstanding (Rs. in lacs)	
		As on 31.03.2009	Maximum outstanding during the year.
Subsidiary Companies			
1) Manoj Yarn Processors Limited	Nil (Nil)	50.35 Dr (50.02) Dr	50.35 (50.02)
2) Pee Dee Yarn Processors Limited	Nil (Nil)	1.97 Dr (1.86) Dr	1.97 (1.86)
3) Prime Hometex Industries (India) Ltd	Nil (Nil)	31.05 Dr (30.57) Dr	31.05 (467.94)

Note : Figures in brackets represents previous year's figures.

10) Basic and diluted Earnings per share (EPS) of face value of Rs.2/- each is calculated as under:-

For the year ended	31 st March 2009	31 st March 2008
a) Numerator:		
Net Profit/(Loss) as disclosed in Profit & Loss account after tax and Preference Dividend	(Rs.766.70) lacs	(Rs. 25.84 lacs)
b) Denominator:		
Number of equity shares outstanding	2,27,43,600	2,27,43,600
c) Basic Earnings per share	(3.37)	0.11
d) Face value per share	Rs.2/- share	Rs.2/- share

11) Accounting for taxes on income-Accounting Standard 22 (AS 22) Net deferred tax liability comprises of:

Deferred Tax Assets	31.03.2009	31.03.2008
1. Expenses covered by 43B	0.09	0.81
2. Carry forward Unabsorbed Depreciation	56.55	450.47
3. Others	6.56	0.25
Total	<u>63.20</u>	<u>451.53</u>

Deferred Tax Liabilities	31.03.2009	31.03.2008
1. Depreciation	385.24	926.58
2. Others	0.00	25.26
Total	<u>385.24</u>	<u>951.84</u>
Net Deferred Tax Liability (assets)	<u>322.04</u>	<u>500.31</u>

12) Names of Micro, Small and Medium Enterprises to whom amounts outstanding under following categories :

		31.03.2009	31.03.2008
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Rs. Nil	Rs. Nil
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed day during each accounting year.	Rs. Nil	Rs. Nil
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Rs. Nil	Rs. Nil
(d)	The amount of interest accrued and remaining unpaid at the end accounting year	Rs. Nil	Rs. Nil
(e)	The amount of further interest, remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Rs. Nil	Rs. Nil

13) As per Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the company has presented consolidated financial statements separately, in this annual report.

14) (a) In the opinion of the Board of Directors, the "Current Assets, Loans and Advances" have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

(b) Balance of certain Debtors, Creditors and Advances are yet to be reconciled and confirmed. In the opinion of Management the difference would be insignificant.

15) During the year, the Company has disposed-off major plant and machineries belonging to the closed Spinning Unit. The resultant loss on sale amounting to Rs. 1,996.05 lacs, is grouped under "exceptional items" in the Profit & Loss Account for the year. It may be noted that over the years the plant and machineries were depreciated as continuous process plant and on straight line method after adopting the applicable rates. This resulted in carrying cost higher than market realizable prices. The closure has since been recorded by the State Government.

16) The company had invested to an extent of Rs.455 lacs in wholly owned subsidiary Company M/s.Prime Hometex Industries (India) Ltd incorporated in 2007 for pursuing the project for manufacture of Home Textile Products. However in the light of continued depressed conditions in the home textile market and local problem thwarting efforts to acquire suitable lands, further progress in the project could not be made. The management is however, hopeful of pursuing with the project after prevailing conditions improve. Accordingly no provision for diminution in the value thereof is considered necessary.

17) The value on cost basis of the stock of finished knitted garments and fabrics which were destroyed by an accidental fire on 8th May 2009, is Rs.523 lacs. The goods are adequately covered under insurance and the claim made is being assessed.

- 18) Disclosure in respect of Accounting Standard 15 "Employees Benefits" notified in the Companies (Accounting Standards) Rule 2007:
Employee Benefit
The gratuity liability is funded by Life Insurance Corporation of India under Group Gratuity Cash Accumulation Scheme

(In Rupees)

		31.03.2009	31.03.2008
1.	Assumptions		
	Discount Rate	8%	8%
	Salary Escalation	7%	7%
2.	Changes in the present value of obligation		
	Present value of obligation as at beginning of year	44,44,681	1,21,58,002
	Interest Cost	3,55,574	9,11,850
	Current Service Cost	2,99,678	16,17,361
	Benefits paid	(91,07,438)	14,47,458
	Actuarial Loss/(Gain) on obligations	67,34,325	(87,95,074)
	Present value of obligations as at the end of year	27,26,820	44,44,681
3.	Changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	18,81,252	10,86,002
	Expected return on plan assets	1,27,512	96,763
	Contributions	77,75,191	21,45,945
	Benefits paid	(91,07,438)	14,47,458
	Actuarial Gain/(Loss) on Plan assets	Nil	Nil
	Fair value of plan assets at the end of year	6,76,517	18,81,252
4.	Fair value of plan assets		
	Fair value of plan assets at beginning of the year	18,81,252	10,86,002
	Actual return on plan assets	1,27,512	96,763
	Contributions	77,75,191	21,45,945
	Benefits paid	(91,07,438)	14,47,458
	Fair value of plan assets at the end of year	6,76,517	18,81,252
	Funded status	(20,50,303)	(25,63,429)
5.	Actuarial Gain/(Loss) recognized		
	Actuarial gain/(Loss) for the year obligation	(67,34,325)	87,95,074
	Actuarial gain/(Loss) for the year plan assets	Nil	Nil
	Total Loss/ (gain) for the year	67,34,325	(87,95,074)
	Actuarial Loss/(Gain) recognized in the year	67,34,325	(87,95,074)
6.	Amounts recognized in the balance sheet and Profit and Loss		
	Present value of obligations as at the end of the year	27,26,820	44,44,681
	Fair value of plan assets as at the end of the year	6,76,517	18,81,252
	Funded status	(20,50,303)	(25,63,429)
	Net Asset/(Liability) recognized in balance sheet	20,50,303	25,63,429
7.	Expenses charged in statement of Profit and Loss account		
	Current Service cost	2,99,678	16,17,361
	Interest Cost	3,55,574	9,11,850
	Expected return on plan assets	(1,27,512)	96,763
	Net Actuarial loss/(gain) recognized in the year	67,34,325	(87,95,074)
	Expenses recognized in statement of Profit and Loss account	72,62,065	(63,62,626)

- 19) Previous year's figures are regrouped/rearranged, wherever necessary to conform to this year's presentation. Previous year's figures are inclusive of ceased spinning mill division and hence current year figures are not comparable.

As per notification dated 15.5.1995 issued by the Department of Company Affairs, the additional information under para IV as under :-

Balance Sheet Abstract and Company's General Business Profile

I Registration Details:

Registration No. L17111TZ1936PLC000001
Balance Sheet Date 31-03-2009

II. Capital rose during the year

(Figures rupees in thousands)

Public Issue Nil Rights Issue Nil
Bonus Public issue Nil Private Placement Nil

III. Position of Mobilisation and Deployment of Funds

Total Liabilities	925580	Total Assets	925580
Sources of Funds:			
Paid up Capital	45487	Reserves & Surplus	152980
Secured Loans	325357	Unsecured Loans	105420
Deferred Tax Liability	32204	Current Liabilities	264132
Application of Funds:			
Net Fixed Assets	201892	Investments	100686
Current Assets	601529	Misc. Expenditure.	18004
		Profit and Loss account	3469

IV. Performance of the Company

Turnover (including stock		Total Expenditure	814129
Adjustment & other Income	720990	Profit (+)/Loss (-) after tax	(76670)
Profit (+)/Loss (-) Before tax	(93139)	Dividend Rate : Equity	Nil
Earning per share in Rs.	(3.37)		

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms):

Item Code No (ITC code) 520420.09
Product Description Cotton Yarn

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Related to Subsidiary Companies

Sl. No.	Particulars	Name of Subsidiary Companies			
		ATL Textile Processors Limited	Manoj Yarn Processors Limited	Pee Dee Yarn Processors Limited	Prime Hometex Industries (India) Ltd.
1.	Financial Year ended 31st March.	2009	2009	2009	2009
2.	No. of shares held by holding Company	10,37,450	50,900	50,900	45,50,000
3.	Face value of shares in. Rs.	10	10	10	10
4.	Extent of Holding (%) Held by Manoj Yarn Processors Limited	100	100	21.41 78.59	100
5.	Net aggregate amount of profits / (losses) of the subsidiary for the above financial year so far as it concerns members of the Holding Company which are not dealt within the company's account.	Rs.(0.06) lacs	Not applicable. Operation not yet commenced	Not applicable. Operation not yet commenced	Not applicable. Operation not yet commenced
6.	- do - For the previous financial year	Rs.1.24 lacs	-do-	-do-	-do-
7.	Net aggregate amount of profits [losses] of the subsidiary for the above financial year so far as it concerns members of the Holding Company which are dealt within the company's account (Rs.in lacs)	Rs.14.00 lacs	Not applicable	Not applicable	Not applicable
8.	Holding company's interest as at 31st March, 2009 incorporating changes since the close of the financial year of the subsidiary company.	No change	No change	No change	No change

For and on behalf of the Board

Manojkumar Patodia

Vice Chairman & Managing Director

Purushottam Patodia

Chairman & Managing Director

Banwarilal Singhal

Director

Anuj K. Patodia

Managing Director

B.K.Srinivasa Ragavan

Director (Finance & Admin)

S.Rengasamy

Company Secretary

Place: Mumbai

Date : 30.06.2009

Disclosure of information relating to the subsidiary companies as required by the Ministry of corporate Affairs, Government of India vide their approval letter. No. 47/354/2009 - CL III dated 14th May 2009.

(Rupees in lacs)

Particulars	ATL Textile Processors Limited	Manoj Yarn Processors Limited	Pee Dee Yarn Processors Limited	Prime Hometex Industries India Limited
a) Share Capital	103.75	5.09	5.09	455.00
b) Reserves & surplus	0.42	-	-	-
c) Total asstes	544.49	55.52	7.11	492.45
d) Total liabilities	544.49	55.52	7.11	492.45
e) Details of investment	2.76	4.00	-	-
f) Operating income on lease basis	0.17	-	-	-
g) profit / (loss) Before tax	(0.06)	-	-	-
h) Provision for taxation	-	-	-	-
i) :Profit / (loss) After tax	(0.06)	-	-	-
j) Proposed Dividend	0.00	0.00	0.00	0.00
k) Reporting Currency	(INR)	(INR)	(INR)	(INR)

INR = Indian Rupee

AUDITORS' REPORT

Report of the auditors to the Board of Directors of PRIME TEXTILES LIMITED

We have audited the attached consolidated Balance Sheet of PRIME TEXTILES LIMITED, and its subsidiaries as at 31st March 2009, and also the related Profit and Loss account and the Cash Flow Statement for the year ended as on the date. 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 audits. We did not audit the financial statements of ATL TEXTILE PROCESSORS LIMITED, MANOJ YARN PROCESSORS LIMITED, PEE DEE YARN PROCESSORS LIMITED AND PRIME HOMETEX INDUSTRIES (INDIA) LIMITED subsidiaries, for the year ended 31st March 2009. These statements were audited by other auditors whose reports have been furnished to us, and our opinion, so far as it relates to these companies, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards 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 misstatements. 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 evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard-21 'Consolidated Financial Statement' issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of PRIME TEXTILES LIMITED and its subsidiary companies included in the aforesaid consolidation.

On the basis of the information and explanations given to us and on consideration of the separate Audit Reports on individual audited financial statement of PRIME TEXTILES LIMITED and its subsidiary, in our opinion the consolidated financial statements give a true and fair view in conformity with the Accounting Principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of PRIME TEXTILES LIMITED and its subsidiary as at 31st March 2009
- b) in the case of the consolidated Profit and Loss account, of the consolidated results of operations of PRIME TEXTILES LIMITED and its subsidiaries for the year ended on that date, and
- c) in the case of the consolidated cash flow statement of the consolidated cash flows of PRIME TEXTILES LIMITED and its subsidiaries for the year ended on that date.

In our opinion, based on our audits and the reports of other audits, the consolidated financial statements referred to above give a true and fair view of the financial position of PRIME TEXTILES LIMITED, and its subsidiaries as at 31st March 2009 and of the results of consolidated cash flows for the year ended on the date conformity with generally accepted accounting principles in India.

For M.S.Jagannathan & Visvanathan
Chartered Accountants

Place: Mumbai
Date : 30.06.2009

M.J. Vijayaraaghavan
Partner
Membership No. : 7534

PRIME TEXTILES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009

	Schedule	As at 31.03.2009 Rs.lacs	As at 31.03.2008 Rs.lacs
Sources of Funds			
(1) Shareholders' Funds			
Capital	1	454.87	454.87
Reserves and Surplus	2	1,529.80	2,356.56
		<u>1,984.67</u>	<u>2,811.43</u>
(2) Loan Funds			
Secured Loans	3	3,253.57	5,415.45
Unsecured Loans	4	529.55	407.11
		<u>3,783.12</u>	<u>5,822.56</u>
(3) Deferred Tax Liability		322.04	500.32
	Total	<u>6,089.83</u>	<u>9,134.31</u>
Application of Funds			
(1) Fixed Assets	5		
Gross Block		3,365.46	11,400.15
Less: Depreciation		<u>1,290.30</u>	<u>5,281.00</u>
		2,075.16	6,119.15
Capital Work - in - Progress		72.59	77.73
Net Block		<u>2,147.75</u>	<u>6,196.88</u>
(2) Investments	6	33.99	18.72
(3)(i) Current Assets, Loans and Advances	7		
(a) Inventories		2,083.23	2,757.67
(b) Sundry Debtors		1,457.26	312.51
(c) Cash and Bank Balances		726.96	521.17
(d) Other Current Assets		71.07	172.19
(e) Loans and Advances		<u>1,622.36</u>	<u>1,250.54</u>
		<u>5,960.88</u>	<u>5,014.08</u>
(ii) Current Liabilities and Provisions	8		
(a) Liabilities		2,651.45	2,835.81
(b) Provisions		<u>11.65</u>	<u>84.70</u>
		<u>2,663.10</u>	<u>2,920.51</u>
Net Current Assets (i-ii)		<u>3,297.78</u>	<u>2,093.57</u>
(4) Miscellaneous Expenditure			
(to the extent not written off/adjusted)			
(i) Voluntary Retirement Scheme Compensation		180.04	416.60
(ii) Others		409.51	408.54
(ii) Profit and Loss account		<u>20.76</u>	<u>-</u>
	Total	<u>6,089.83</u>	<u>9,134.31</u>
Significant Accounting Policies and notes on accounts	18		

Schedule 1 to 8 and 18 form part of this Balance Sheet

As per our report of even date annexed

For **M.S.Jagannathan & Visvanathan**
Chartered Accountants

M.J.Vijayaaraghavan
Partner : M.No.7534
Place : Mumbai
Date : 30.06.2009

Manojkumar Patodia
Vice Chairman & Managing Director

Anuj K. Patodia
Managing Director

B.K.Srinivasa Ragavan
Director (Finance & Admin.)

For and on behalf of the Board

Purushottam Patodia
Chairman & Managing Director

Banwarilal Singhal
Director

S.Rengasamy
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	Schedule	31.03.2009 Rs.lacs	31.03.2008 Rs.lacs
INCOME			
Turnover	9	7,644.46	10,644.20
Less: Excise Duty		<u>0.00</u>	<u>(0.00)</u>
		7,644.46	10,644.20
Other Income	10	44.79	46.39
Increase / (Decrease) in Stocks	11	<u>(479.18)</u>	<u>(736.19)</u>
		<u>7,210.07</u>	<u>9,954.40</u>
EXPENDITURE			
Cost of Materials	12	2,640.27	5,283.61
Personnel Expenses	13	549.78	903.51
Power and Fuel Consumed		148.02	773.56
Stores, Spares and Packing Materials Consumed		110.37	326.94
Processing Charges		573.20	638.33
Repairs and Maintenance	14	29.21	82.33
Selling and Distribution Expenses	15	425.53	487.22
Administrative and Other Expenses	16	557.79	539.71
Interest	17	552.96	721.81
		<u>5,587.12</u>	<u>9,757.02</u>
Gross Profit after interest before depreciation		1,622.94	197.38
Amortisation of Miscellaneous Expenditure		255.74	113.95
Depreciation	202.61		521.55
Less: Transfer from Revaluation Reserve	<u>0.00</u>		<u>(46.27)</u>
Exceptional items including Loss on sale assets		<u>202.61</u>	<u>475.28</u>
		2,096.06	
Profit / (Loss) for the year before tax		(931.47)	(391.85)
Provision for - Current tax	0.00		0.00
Provision for Deferred Tax Asset / (Liability)	178.28		434.73
Minimum Alternate Tax Credit entitlement	0.0		7.90
Fringe benefit tax - current year	<u>(13.59)</u>		<u>(15.83)</u>
		<u>164.69</u>	<u>442.63</u>
Profit / (Loss) after Tax		<u>(766.78)</u>	<u>34.95</u>
Surplus brought forward from previous year		99.87	31.08
Transfer from General Reserve		646.15	75.00
Amount available for appropriations		<u>(20.76)</u>	<u>141.03</u>
APPROPRIATIONS			
Proposed Dividend - Equity Shares		0.00	27.29
Dividend - Preference Shares		0.00	7.89
Tax on distributed profits		0.00	5.98
Surplus carried over		<u>(20.76)</u>	<u>99.87</u>
		<u>(20.76)</u>	<u>141.03</u>
Earnings Per Equity shares of Rs. 2/- each		<u>(3.97)</u>	<u>0.12</u>
Significant Accounting Policies and Notes on Accounts	18		

Schedule 9 to 18 form part of this Profit and Loss Account

As per our report of even date annexed

For **M.S.Jagannathan & Visvanathan**
Chartered Accountants

M.J.Vijayaaraghavan
Partner : M.No.7534
Place : Mumbai
Date : 30.06.2009

Manojkumar Patodia
Vice Chairman & Managing Director

Anuj K. Patodia
Managing Director.

B.K.Srinivasa Ragavan
Director (Finance & Admin.)

For and on behalf of the Board

Purushottam Patodia
Chairman & Managing Director

Banwarilal Singhal
Director

S.Rengasamy
Company Secretary

PRIME TEXTILES LIMITED

CONSOLIDATED CASH FLOW FOR THE YEAR ENDED	31.03.2009 Rs.lacs	31.03.2008 Rs.lacs
A. NET PROFIT / (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	(931.47)	(391.85)
Adjustments for:		
Depreciation	202.62	475.29
Loss / (Profit) on sale of assets	2,000.35	13.71
Deferred Revenue Expenditure & Preliminary Expenses	235.59	(206.57)
Interest received	(33.53)	(20.39)
Dividend received	0.00	0.00
Interest charged	552.96	721.80
	<u>2,957.99</u>	<u>983.84</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>2,026.52</u>	<u>591.99</u>
Adjustments for:-		
Trade and other receivables	(1,815.34)	648.64
Inventories	674.43	1,846.78
Trade payables	(244.82)	215.06
	<u>(1,385.93)</u>	<u>2,710.48</u>
CASH GENERATED FROM OPERATIONS	<u>640.79</u>	<u>3,302.47</u>
Direct taxes paid	<u>(15.76)</u>	<u>(36.02)</u>
B. NET CASH FROM OPERATING ACTIVITIES	625.03	3,266.45
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(1.73)	(101.11)
Purchase of Investments	(15.27)	(2.70)
Sale / Transfer value of Fixed assets	1,767.14	37.70
Interest received	33.53	20.39
C. NET CASH USED IN INVESTING ACTIVITIES	1,783.67	(45.72)
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Share Capital	0.00	(150.00)
Proceeds / (repayment) of Long term borrowings	(2,190.93)	(686.33)
Proceeds / (repayment) of Short term borrowings	151.48	(1,516.78)
Interest paid	(530.39)	(730.50)
Dividend paid	(35.27)	(39.24)
NET CASH USED IN FINANCING ACTIVITIES	<u>(2,605.11)</u>	<u>(3,122.85)</u>
NET INCREASE\ (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(196.41)</u>	<u>97.88</u>
Cash and cash Equivalents as at Opening Balance	264.47	166.59
Cash and cash Equivalents as at Closing Balance	68.05	264.47

Note:- 1. Margin Money Deposits have been included under "Trade and other receivables"

2. The above Cash Flow Statements prepared in indirect method as per AS-3 Cash Flow Statements issued by ICAI

For and on behalf of the Board

As per our report of even date annexed

For **M.S.Jagannathan & Visvanathan**
Chartered Accountants

M.J.Vijayaraaghavan

Partner : M.No.7534

Place : Mumbai

Date : 30.06.2009

Manojkumar Patodia
Vice Chairman & Managing Director

Anuj K. Patodia
Managing Director

B.K.Srinivasa Ragavan
Director (Finance & Admin.)

Purushottam Patodia
Chairman & Managing Director

Banwarilal Singhal
Director

S.Rengasamy
Company Secretary

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	31.03.2009 Rs.lacs	31.03.2008 Rs.lacs
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
6,25,00,000 Equity Shares of Rs. 2 each	1,250.00	1,250.00
7,50,000 Preference Shares of Rs.100 each	750.00	750.00
	<u>2,000.00</u>	<u>2,000.00</u>
Issued		
2,27,44,300 Equity Shares of Rs. 2 each	454.89	454.89
1,50,000 8% Cumulative Preference Shares of Rs.100/- each	150.00	150.00
	<u>604.89</u>	<u>604.89</u>
Subscribed and paid up:		
2,27,43,600 Equity Shares of Rs. 10 each fully paid up	454.87	454.87
	<u>454.87</u>	<u>454.87</u>
1) Subscribed and Paid-up Equity Shares includes 2,68,920 shares of Rs.10/- each allotted during previous years as fully paid bonus shares by capitalisation of general reserve		
2) Preference Shares are redeemable at par on or before 20.2.2014		
SCHEDULE 2 : RESERVES AND SURPLUS		
General Reserve:		
As per last balance sheet	646.15	871.15
Transfer from Profit and Loss Account	(646.15)	(75.00)
	<u>(0.00)</u>	<u>796.15</u>
Transfer to Preference Shares Redemption Reserve	<u>(0.00)</u>	<u>(150.00)</u>
	<u>(0.00)</u>	<u>646.15</u>
Capital Redemption Reserve-as per last balance sheet	650.00	500.00
Add: Transfer from General Reserve	0.00	150.00
	<u>650.00</u>	<u>650.00</u>
Securities Premium Account-as per last balance sheet	540.00	540.00
Revaluation Reserve :		
As per last balance sheet	420.54	537.26
Transfer to Profit & Loss account	0.00	(46.27)
Withdrawals on assets sold	(80.74)	(70.45)
	<u>339.80</u>	<u>420.54</u>
Profit and Loss Account - Surplus	0.00	99.87
Total	<u>1,529.79</u>	<u>2,356.56</u>

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	31.03.2009 Rs.lacs	31.03.2008 Rs.lacs
SCHEDULE 3 : SECURED LOANS		
(1) Loans and Advances from		
(a) Banks		
(i) Term Loans	375.80	2,158.10
(ii) Working Capital Advances	2,763.30	2,734.25
(b) From Financial Institutions	58.34	450.00
Term Loans		
(c) From others	56.13	73.10
Total	<u>3,253.57</u>	<u>5,415.45</u>

(Details of security, Refer note No.(B)2 in schedule 18)

SCHEDULE 4 : UNSECURED LOANS

1. a) Fixed Deposits - from Public	82.00	197.06
b) Fixed Deposits - from Directors	39.00	72.00
(Repayable within one year Rs.4.34 lacs :previous year Rs. 173.31 lacs)		
2. Intercompany Deposits (short term)	408.55	138.05
Total	<u>529.55</u>	<u>407.11</u>

SCHEDULE - 5 : FIXED ASSETS

Rs. in lacs

PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 31.03.2008	Additions during the year	Deductions during the year	As at 31.03.2009	Upto 31.03.2008	For the year	Withdrawn	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
Land-Free hold	525.14	0.00	0.06	525.08	0.00	0.00	0.00	0.00	525.08	525.14
Buildings	1,618.41	0.00	1,116.87	501.54	692.73	20.86	551.27	162.32	339.21	925.68
Plant & Machinery	8,915.58	3.73	6,923.44	1,995.87	4,479.34	159.02	3,641.36	997.00	998.87	4,436.24
Furniture & Office Equipments	187.10	3.14	0.57	189.67	89.67	7.07	0.15	96.59	93.08	97.43
Vehicles	153.88	0.00	0.62	153.26	19.26	15.66	0.54	34.38	118.88	134.62
Livestock	0.04	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.04	0.04
Total	11,400.15	6.87	8,041.56	3,365.46	5,281.00	202.61	4,193.32	1,290.30	2,075.16	6,119.15
Corresponding Previous year	11,480.61	97.49	177.95	11,400.15	4,815.53	521.55	56.08	5,281.00	6,119.15	

Note: i) Vehicles include cars costing Rs.130.40 lacs (previous year Rs.141.85 lacs) purchased on Hire-purchase basis.

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	31.03.2009 Rs.lacs	31.03.2008 Rs.lacs
SCHEDULE 6 : INVESTMENTS AT COST - LONG TERM		
Trade - Unquoted		
YS Spinners Limited		
129,000 Equity Shares of Rs.10 each	12.90	12.90
Prime Processors Limited		
70,000 Equity Shares of Rs.10 each	7.00	7.00
ATL-Selina Innerwear Pvt. Limited		
15,000 Equity Shares of Rs.10 each	1.50	1.50
Tirupur Infrastructure Development Company Limited		
500 Equity Shares of Rs.1000 each	5.00	5.00
Non Trade - Quoted		
Velan Hotels Limited		
2,000 Equity Shares of Rs.10 each	0.20	0.20
Non Trade - Unquoted		
Metal Industries Limited		
800 Equity Shares of Rs.10 each	0.08	0.08
Asher Textiles Mills Co-operative Stores Limited		
200 Equity Shares of Rs.5 each	0.01	0.01
Capital in Partnership Firm : (Ref Note No. Schedule18 B7)		
Prime Developers	1.00	1.00
Prime Mall Developers	1.00	1.00
Prime Newline AOP	15.00	0.00
Government Securities		
National Savings Certificate	0.50	0.50
Mutal Funds : Birla Sun Life	2.76	2.59
	46.95	31.78
Less : Provision for diminution in value	12.96	13.06
	33.99	18.72
Aggregate of quoted investments : At book value	0.20	0.20
Aggregate of quoted investments : Market price	0.14	0.04
Aggregate of unquoted investments : At book value	46.75	31.58

Total

SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES:

A. Current Assets:

(a) Inventories :

As valued and certified by the Management

(i) Stores, spares and packing materials

31.23 160.31

(ii) Stock in Trade :

Raw materials

429.40 495.58

Finished goods

1,607.82 2,087.00

Land

14.78 14.78

2,083.23 2,757.67

(b) Sundry Debtors :

Unsecured, considered good-unless otherwise stated

(i) Debts outstanding for a period exceeding six months

Considered good

24.85 30.59

Considered doubtful

34.02 25.51

Less: Provision for doubtful debts

(34.02) (25.51)

(ii) Other debts

1,432.41 281.92

1,457.26 312.51

SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	31.03.2009 Rs.lacs	31.03.2008 Rs.lacs
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES: (Contd..)		
(c) Cash and Bank Balances:		
(i) Cash on hand	8.86	20.82
(ii) With scheduled banks		
a) In Current Accounts	51.95	236.07
b) In Margin money and other Lien Deposit	658.91	256.74
c) In Unpaid Dividend Account	7.24	7.33
(iii) Post Office savings account	0.00	0.21
Total (A)	<u>726.96</u>	<u>521.17</u>
(d) Other Current Assets		
Interest accrued on deposits/investments	6.34	5.94
Income and other receivables	64.73	166.25
	<u>71.07</u>	<u>172.19</u>
Sub -Total (A)	<u>4,338.52</u>	<u>3,763.54</u>
B. Loans and Advances		
Unsecured-considered good, unless stated otherwise		
a) Advances recoverable in cash or in kind or for value to be received		
Considered Good	1,441.18	1,037.66
Considered Doubtful	3.39	0.00
Less : Provision for doubtful advances	(3.39)	0.00
b) Prepaid expenses	33.98	47.44
c) Advance Tax including tax deducted at source	70.23	68.06
{net of provisions of Rs.87.58 lacs ; previous year Rs.73.49 lacs}	27.97	28.44
e) Income Tax Refund Receivable	48.28	67.48
f) Demand Deposits	0.72	1.46
g) Balance with Customs, Excise etc.,	<u>1,622.36</u>	<u>1,250.54</u>
Sub-total (B)	<u>1,622.36</u>	<u>1,250.54</u>
Total (A + B)	<u>5,960.88</u>	<u>5,014.09</u>
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors		
Due to Small Scale Industrial units (SSI)	0.00	0.00
Due to Micro and Small Enterprises	0.00	0.00
Due to other than Micro and Small Enterprises	843.07	621.98
Other current liabilities	233.81	787.57
Current Account outstanding in Partnership firms	1,402.14	1,389.65
Unclaimed Dividends *	7.24	7.33
Unclaimed Fixed Deposits	114.10	0.75
Interest accrued but not due on loans	51.09	28.53
Sub Total (A)	<u>2,651.45</u>	<u>2,835.81</u>
B. Provisions		
For Proposed Dividend	0.00	35.19
Provision for Dividend Tax	0.00	5.98
For Gratuity, Superannuation and Other Funds	11.65	43.53
Sub Total (B)	<u>11.65</u>	<u>84.70</u>
Total (A & B)	<u>2,663.10</u>	<u>2,920.50</u>

(* There are no amounts due and outstanding to be credited to Investors Education and Protection Fund)

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Rs.lacs	31.03.2008 Rs.lacs
SCHEDULE 9 : TURNOVER		
Textile Segment		
Cotton Yarn	2,867.70	6,234.61
Knitted Garments & Fabrics	1,159.64	1,230.66
Export Incentives	115.70	260.20
Business Receipts	141.58	12.74
Waste	13.60	245.49
Realty Segment		
Profit on Sale of Land	102.68	2,423.50
Consideration towards transfer of developmental rights and FSI	3,050.00	0.00
Share of Profits from a firm	193.56	237.00
Total	<u>7,644.46</u>	<u>10,644.20</u>
SCHEDULE 10 : OTHER INCOME		
Miscellaneous Income	9.34	22.86
Interest receipts (TDS Rs.4.47 lacs previous year Rs.4.13)	33.53	20.39
Diminution in value of investment	0.10	0.00
Insurance claim received	1.64	1.44
Dividend Receipts	0.18	1.70
	<u>44.79</u>	<u>46.39</u>
SCHEDULE 11 : INCREASE /(DECREASE) IN STOCKS		
Stock at Closing:	1,607.82	2,087.00
	<u>1,607.82</u>	<u>2,087.00</u>
Less:		
Stock at Commencement:		
Finished Goods - Yarn	2,087.00	2,483.46
Stocks in Process	0.00	332.35
Waste	0.00	7.38
	<u>2,087.00</u>	<u>2,823.19</u>
Net Total	<u>(479.18)</u>	<u>(736.19)</u>
SCHEDULE 12: COST OF MATERIALS		
Opening Stock of Materials	495.59	1,616.28
Add: Purchases	2,574.09	4,162.92
	<u>3,069.68</u>	<u>5,779.20</u>
Less: Closing stock of Materials	429.41	495.59
Cost of Material	<u>2,640.27</u>	<u>5,283.61</u>

PRIME TEXTILES LIMITED

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	31.03.2009 Rs.lacs	31.03.2008 Rs.lacs
SCHEDULE 13: PERSONNEL EXPENSES		
Salaries, Wages, Bonus and others	335.55	608.95
Managerial Remuneration	103.41	111.54
Directors' Remuneration	23.97	14.26
Contribution to Provident and other Funds	66.49	107.92
Welfare Expenses	20.36	60.84
Total	<u>549.78</u>	<u>903.51</u>
SCHEDULE 14: REPAIRS AND MAINTENANCE		
Buildings	9.69	9.13
Machinery	12.56	61.37
Others	6.96	11.83
Total	<u>29.21</u>	<u>82.33</u>
SCHEDULE 15: SALES AND DISTRIBUTION EXPENSES		
Brokerage and Commission	127.29	178.44
Freight, Forwarding and Other Expenses	298.24	308.78
Total	<u>425.53</u>	<u>487.22</u>
SCHEDULE 16: ADMINISTRATIVE AND OTHER EXPENSES		
Insurance	32.35	42.68
Postage, Telephone, Printing & Stationery	44.25	47.89
Travelling, Motor Vehicle maintenance	104.53	149.25
Bank Charges, Filing Fees, Subscription & Advertisement	111.79	106.08
Rent	91.49	75.77
Rates & Taxes	25.10	20.43
Directors' Sitting Fees	3.50	3.08
Auditors' Remuneration and Expenses	2.40	2.03
Miscellaneous Expenses	105.89	78.09
Donations	0.42	0.70
Loss on sale of assets (net)	4.30	13.71
Bad debts written off	20.23	0.00
Provision for Bad and doubtful debts	11.54	0.00
Total	<u>557.79</u>	<u>539.71</u>
SCHEDULE 17: INTEREST		
On Fixed Loans	115.17	185.58
On Others	437.79	536.23
Total	<u>552.96</u>	<u>721.81</u>

Schedules forming part of the Consolidated Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date:

18. NOTES FORMING PART OF ACCOUNTS

Part A. SIGNIFICANT ACCOUNTING POLICIES

General:

Financial Statements are prepared on historical cost (except for certain fixed assets which have been revalued) and on the accounting principles of a going concern in compliance with all material aspects of the Accounting Standards in India and related provisions of the Companies Act, 1956.

The mercantile system of accounting is followed and income and expenditure are recognized on accrual basis except those with significant uncertainties.

Principles of Consolidation:

The consolidated financial statements relate to Prime Textiles Limited ("the company") and its wholly-owned subsidiary companies, all incorporated in India, viz., ATL Textile Processors Limited, Manoj Yarn Processors Private Limited, Pee Dee Yarn Processors Private Limited and Prime Hometex Industries (India) Limited. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets and liabilities after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profits or losses.
- Financial statements of both parent company and subsidiary companies have been drawn up to 31st March 2009, the reporting date.

1. Contingent Liabilities:

Contingent Liabilities are disclosed to the Notes to Accounts and are determined based on the perception of the Management on the eventuality of the liability materiality, contingent thereto.

2. Other Significant Accounting Policies

These are set out in the Notes to Accounts under Significant Accounting Policies for financial statements of the Company and its subsidiary companies.

PART B: NOTES ON ACCOUNTS:

	31.03.2009 Rs. lacs	31.03.2008 Rs. lacs
1) A) Contingent liabilities not provided for in respect of		
(a) Disputed tax demands		
i) Other tax, cess etc.	5	10
ii) Incometax	76	76
	<u>81</u>	<u>86</u>
(b) Export documentary bills discounted with Bank (since realized Rs.371.44 lacs; previous year Rs. 434.91 lacs	580	707
(c) Corporate Guarantee for loan borrowed from State Bank of Patiala by M/s. Prime Developers (in which the Company is a partner) Has since been fully repaid (previous year Rs.922.39)	Nil	3100
(d) ATL Textile Processors Limited subsidiary of the company has given corporate guarantee to the lending institutions of the company	529	1815
(e) Manoj Yarn Processors Ltd has given corporate guarantee to the working capital bankers of the Company	6	Nil
(f) Pee Dee Yarn Processors Ltd has given corporate guarantee to the working capital bankers of the Company	4	Nil

SCHEDULE 18: NOTES FORMING PART OF CONSOLIDATED ACCOUNTS (contd.)

	31.03.2009 Rs. lacs	31.03.2008 Rs. lacs
B. Capital Commitments:		
Capital commitments outstanding (net of advances)	257	257

2. (a) The land, buildings and machineries were revalued as on 31.03.1992 on the basis of reports of approved valuers on market value/ replacement value /replacement cost basis using standard indices after assessing the obsolescence and the age of the respective assets. Accordingly, a sum of Rs.2,323.26 lacs being the increase in the value of said assets was credited to the Revaluation Reserve Account.

- (b) The revalued amounts (net of withdrawals) remaining substituted for the historical cost in the Gross Block of Fixed Assets at the close of the year was:

	31.03.2009 Rs. lacs	31.03.2008 Rs. lacs
Land	339.80	339.85
Roads and Buildings	0.00	449.10
Plant and Machinery	0.00	486.97
Total	339.80	1,275.92

3. Firms / AOP in which the Company is a Partner / Member :

a) M/s.Prime Developers

Name of Partners	Capital invested Rs.lacs	Share in Profits	Share in Losses
PrimeTextiles Limited	1.00	50.00%	66.66%
Pudumjee Industries Limited	1.00	12.50%	16.67%
Suma Commercial Pvt. Limited	--	12.50%	16.67%
Aristo Realty Developers Limited	--	25.00%	0.00

b) M/s.Prime Mall Developers

Name of Partners	Capital invested Rs.lacs	Share in Profits	Share in Losses
PrimeTextiles Limited	1.00	50.00%	66.66%
Pudumjee Plant & Laboratories Limited	1.00	25.00%	33.34%
Aristo Realty Developers Limited	--	25.00%	0.00

c) AOP in which the Company is a Member : M/s.Prime-Newline AOP

Name of Members	Capital invested Rs.lacs	Share in Profits	Share in Losses
PrimeTextiles Limited	15.00	77.50%	77.50%
New Line Buildtech Pvt. Ltd	5.00	22.50%	22.50%

	31.03.2009 Rs. lacs	31.03.2008 Rs. lacs
4. Managerial Remuneration under section 198 of the Companies Act, 1956:		
Salary	79.43	83.64
House Rent Allowance	0.59	0.78
Contribution to Provident Fund	9.54	10.04
Contribution to Superannuation	10.33	10.87
Perquisites	3.52	4.16
Gratuity	0.00	2.05
Total	103.41	111.54

SCHEDULE 18: NOTES FORMING PART OF CONSOLIDATED ACCOUNTS (contd.)

5. Auditors' Remuneration and expenses:	31.03.2009	31.03.2008
	Rs. lacs	Rs. lacs
a) Audit Fees:		
Statutory Auditors	1.15	0.98
Branch Auditors	0.19	0.19
b) Tax Audit Fees:		
Statutory Auditors	0.12	0.12
Branch Auditors	0.00	0.06
c) Other Fees to Auditors:		
Taxation representation	0.22	0.24
Out of pocket expenses	0.15	0.02
Certification fees	0.42	0.27
Service Tax	0.15	0.15
Total	<u>2.40</u>	<u>2.03</u>

Audit fees Rs.0.35 lacs (Previous year : Rs.0.31 lacs) paid by three subsidiary companies is grouped in preliminary expenses as they have not yet commenced their operation.

6. Foreign Exchange transactions:

- a) Amount of Foreign Exchange difference (net) credited in the Profit and Loss Account Rs.30.06 lacs [previous year Rs.(17.71) lacs]
- b) Foreign exchange difference (net) on capital account reduced in the cost of respective fixed assets Rs. Nil lacs [previous year Rs. Nil lacs]

7. Disclosure in respect of related parties pursuant to Accounting Standard 18 (AS 18):-

List of Related Parties and nature of relationships:

i) Other Parties with whom the Company has entered into transactions during the year:

(a) Associates: -

- i) Prime Processors Limited
- ii) ATL Selina Innerwear Private Limited
- iii) Prime Developers
- iv) Prime Mall Developers
- v) Prime - Newline AOP

b) Key Management Personnel and their relatives

- i) Mr. Madanlal Patodia, father of Mr. Purushottam Patodia
- ii) Mr. Purushottam Patodia, Chairman & Managing Director
- iii) Mr. Manojkumar Patodia, Managing Director
- iv) Mr. Anuj K. Patodia, Executive Director

c) Enterprises having Common Key Management Personnel

- i) Pat Credit Limited
- ii) Anjana Syntex Company Limited

d) Relatives of Key Managerial Personnel:

- i) Mrs. Indiradevi Patodia, wife of Mr. Purushottam Patodia
- ii) Mrs. Nandita Patodia, wife of Mr. Manojkumar Patodia
- iii) Mrs. Meenal Patodia, wife of Mr. Anuj K. Patodia

SCHEDULE 18: NOTES FORMING PART OF CONSOLIDATED ACCOUNTS (contd.)

ii) Transactions with related parties in the ordinary course of business:

Rs.in lacs

Sl. No.	Nature of Transaction	Associates	Key Managerial Personnel	Enterprises/ Relatives of Key Managerial Personnel	Total
1	Purchase of goods	0.21 (Nil)	Nil (Nil)	Nil (Nil)	0.21 (Nil)
2	Sale of goods	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
3	Sale of Fixed Assets	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
4	Job charges paid	Nil (67.88)	Nil (Nil)	Nil (Nil)	Nil (67.88)
5	Rent received	0.18 (Nil)	Nil (Nil)	Nil (Nil)	0.18 (Nil)
6	Rent /Dividend paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Job charges received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Share of Profit from a firm - Prime Developers	193.56 (236.99)	Nil (Nil)	Nil (Nil)	193.56 (236.99)
9	Expenses reimbursed	82.56 (25.70)	Nil (Nil)	Nil (Nil)	82.56 (25.70)
10	Interest received	11.82 (0.18)	Nil (Nil)	Nil (Nil)	11.82 (0.18)
11	Directors' Remuneration paid/sitting fees	Nil (Nil)	103.41 (111.55)	1.78 (1.64)	105.19 (113.19)
12	Balances as on 31.03.2009 ATL Selina Innerwear P Ltd.	233.17 Dr (232.88)Dr			233.17 Dr (232.88)Dr
	Prime Developers	131.88 Cr (56.49)Cr			131.88 Cr (56.49)Cr
	Prime Mall Developers	1270.25Cr (1308.16)Cr			1270.25Cr (1308.16) cr
	Prime-Newline AOP	58.46 Dr. (Nil)			58.46 Dr (Nil)
	Prime Processors Ltd.	16.19 Dr (30.57)Dr			16.19 Dr (30.57)Dr
	Fixed Deposits		84.50 (72.00)	59.50 (59.50)	144.00 (131.50)

Figures in brackets represent previous year's figures.

Note: No amount in respect of above related parties has been written off, provided for/written back.

The balance of Prime Developers is net off profit of Rs.193.56 lacs for the year.

8. Basic and diluted Earnings per share (EPS) of face value of Rs.2/- each is calculated as under:-

For the year ended on

	31st March 2009	31st March 2008
a) Numerator:		
Net Profit/(Loss) as disclosed in Profit & Loss account after tax & Preference dividends	(Rs. 766.78 lacs)	(Rs.27.06 lacs)
b) Denominator:	2,27,43,600	2,27,43,600
Number of Equity shares outstanding		
c) Basic Earnings Per Share	(3.37)	(0.12)
d) Face value per share	Rs.2/-share	Rs.2/-share

SCHEDULE 18: NOTES FORMING PART OF CONSOLIDATED ACCOUNTS (contd.)

9. Accounting for taxes on income-Accounting Standard 22 Net deferred tax liability as at 31st March, 2009 comprises of:

Rs.in lacs

	31.03.2009	31.03.2008
DEFERRED TAX ASSET		
1) Expenses covered by 43B	0.09	0.81
2) Carry forward Unabsorbed Depn. *	56.55	450.47
3) Others	6.56	0.25
Total	<u>63.20</u>	<u>451.53</u>
DEFERRED TAX LIABILITIES		
1) Depreciation	385.24	926.59
2) Others	0.00	25.26
Total	<u>385.24</u>	<u>951.85</u>
Net Deferred Tax Liability / (assets)	<u>322.04</u>	<u>500.32</u>

10. a) For reasons of overall efficiency improvements and taking into account the nature of activities of the company stand reclassified by way of identification of business segments from the current year. Comparatives for the previous period are stated in conformity with present classification.

b) Segment-wise results for the year ended:

Rs. Lacs

Particulars	Textiles		Reality	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
a) Segment Revenue				
Sales including benefit but net of excise duty	4,298.22	7,983.75	3,346.24	2,660.45
b) Segment Revenue:-				
Profit / (Loss) before tax & interest from each segment	(1,443.48)	(2,124.13)	3,199.15	2,564.99
c) Less: Interest	508.92	719.72	44.03	2.10
d) Exceptional items	2,096.06	--	--	--
d) Profit/(Loss) before tax	(4,048.45)	(2,843.85)	3,155.12	2,562.90
Less: Provision for current tax	--	--	--	--
Less: MAT credit entitlement	--	(7.90)	--	--
Less: Provision for Deferred tax (Asset) / Liability	(178.28)	(434.73)	--	--
Less: Provision for FBT	13.59	15.82	--	--
e) Less: Other unallocable expenditure	38.05	112.13	--	--
f) Profit after tax	(3,921.82)	(3,398.62))	3,155.12	2,562.90
g) Carrying amount of Segment Assets	4,701.14	12,151.84	3,055.12	8.39
h) Carrying amount of Segment Liabilities	3,949.07	8,581.50	--	600.00
i) Cost incurred to acquire Segment Fixed Assets during the year	6.88	97.49	--	--
j) Depreciation and Amortisation of Misc. Expenditure	458.35	589.23	--	--

11) Previous year's figures are regrouped/rearranged, wherever necessary to conform to this year's presentation. Previous year's figures are inclusive of ceased spinning mill division and hence current year figures are not comparable.



PRIME TEXTILES LIMITED

Registered Office : 110, Avinashi Road, Gandhi Nagar Post, Tirupur.- 641 603

PROXY FORM

Folio No. / Client ID No. :

No. of Shares :

I/We of in the district of

Being a MEMBER / MEMBERS of the above-named company, hereby appoint

of in the district of

..... or failing him

of in the district of

..... as my/our proxy to attend and vote for me/us and on my/our behalf at the 72nd Annual General Meeting of the company to be held on Saturday, the 26th September, 2009 at 4.00 p.m at the Registered office Company and at any adjournment thereof

Signed this day of 2009.

Signature

Rupee 1/-
Revenue
Stamp

Note: The Proxy should be deposited at the Registered Office of the company not less than 48 hours before the time of holding the above meeting



PRIME TEXTILES LIMITED

Registered Office : 110, Avinashi Road, Gandhi Nagar Post, Tirupur.- 641 603

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

1. Name of the attending Member
(in Block letters)
2. Register Folio No. / Client ID No.
3. Name of Proxy (in Block Letters)
(to be filled if the proxy attends instead of the member)
4. No. of shares held

I hereby record my presence at the 72nd Annual General Meeting at No.110 Avinashi Road, Tirupur 641603 on Saturday, the 26th September 2009 at 4.00 p.m. at the Registered office of the Company.

Members \Proxy's signature

BOOK POST
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If undelivered please return to :



PRIME TEXTILES LIMITED

110, AVINASHI ROAD, GANDHI NAGAR POST, TIRUPUR - 641 603.