75th Annual Report 2011-2012

PRIME URBAN DEVELOPMENT INDIA LTD.

we make your dreams come true

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PRIME URBAN DEVELOPMENT INDIA LIMITED

(Formerly Prime Textiles Limited)

75th Annual Report 2011 -12

BOARD OF DIRECTORS	**Mr. PURUSHOTTAM PATODIA** Chairman & Managing Director
	Mr. MANOJJKUMAR PATODIA Vice Chairman & Managing Director
	Mr. ANUJJ K. PATODIA Managing Director
	Mr. N.K. BAFNA Independent Director
	Mr. BANWARILAL SINGHAL Independent Director
	Mr. VENKAT RAMASWAMY Independent Director (w.e.f. 26.7.2011)
AUDITORS	**MESSRS.M.S.JAGANNATHAN & VISVANATHAN** Chartered Accountants, Coimbatore
LEGAL ADVISORS	**MESSRS. RAMANI & SHANKAR** Advocates, Coimbatore
BANKERS	**CENTRAL BANK OF INDIA**
REGISTERED OFFICE	110, Avinashi Road Gandhinagar Post Tirupur-641 603 India

PRIME URBAN DEVELOPMENT INDIA LIMITED

(A Government Recognised Star Export House)
Regd.Office : 110 Avinashi Road, Gandhinagar P.O., TIRUPUR-641 603

NOTICE

NOTICE is hereby given that the SEVENTY FIFTH Annual General Meeting of the Members of PRIME URBAN DEVELOPMENT INDIA LIMITED will be held at the Registered Office of the company at 110 Avinashi Road, TIRUPUR-641 603, Tamilnadu on Saturday, the 11th August 2012 at 4.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the statement of Profit and Loss for the year ending 31st March 2012, together with the Reports of the Directors and the Auditors' thereon.

2. To appoint a Director in place of Mr.N.K.Bafna who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

Appointment of Mr. Purushottam Patodia as Chairman and Managing Director of the company

"Resolved that in accordance with the provisions of Sections 198,269 and 309 read with Schedule XIII and all applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to the approval of the Central Government in regard to fixation of remuneration, the consent of the company be and is hereby accorded to the appointment of Mr. Purushottam Patodia, as Chairman and Managing Director of the company for a period of THREE years with effect from 1st of April 2013 on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) including remuneration as are set out in the agreement to be entered into between the company and Mr. Purushottam Patodia, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and\or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act,1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and\or modifications that may hereafter be made thereto by the Central Government or as may be agreed between the Board of Directors and Mr. Purushottam Patodia.

Resolved further that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the company and Mr. Purushottam Patodia be suitably amended to give effect to such modification, relaxation or variation without any further reference to the company in General Meeting.

Resolved further that the Board\Remuneration Committee of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

Appointment of Mr. Manojjkumar Patodia as Vice Chairman and Managing Director of the company

"Resolved that in accordance with the provisions of Sections 198,269 and 309 read with Schedule XIII and all applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to the approval of the Central Government in regard to fixation of remuneration, the consent of the company be and is hereby accorded to the appointment of Mr. Manojjkumar Patodia, as Vice Chairman and Managing Director of the company for a period of THREE years with effect from 1st of April 2013, on the terms and conditions (including the remuneration to be paid in the event of loss of or inadequacy of profits in any financial year during the aforesaid period) including remuneration as are set out in the agreement to be entered into between the company and Mr. Manojjkumar Patodia

a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and\or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act,1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and\or modifications that may hereafter be made thereto by the Central Government or as may be agreed between the Board of Directors and Mr. Manojjkumar Patodia.

Resolved further that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the company and Mr. Manojjkumar Patodia be suitably amended to give effect to such modification, relaxation or variation without any further reference to the company in General Meeting.

Resolved further that the Board\ Remuneration Committee of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

Appointment of Mr. Anujj K. Patodia as Managing Director of the company

Resolved that in accordance with the provisions of Sections 198,269 and 309 read with Schedule XIII and all applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force) and subject to the approval of the Central Government in regard to fixation of remuneration, the consent of the company be and is hereby accorded to the appointment of Mr. Anujj K. Patodia, as Managing Director of the company for a period of THREE years with effect from 1st of April 2013, on the terms and conditions (including the remuneration to be paid in the event of loss of or inadequacy of profits in any financial year during the aforesaid period) including remuneration as are set out in the agreement to be entered into between the company and Mr. Anujj K. Patodia, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and\or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act,1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and\or modifications that may hereafter be made thereto by the Central Government or as may be agreed between the Board of Directors and Mr. Anujj K. Patodia.

Resolved further that in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the company and Mr. Anujj K. Patodia be suitably amended to give effect to such modification, relaxation or variation without any further reference to the company in General Meeting.

Resolved further that the Board\ Remuneration Committee of Directors of the company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.

By Order of the Board

Manojjkumar Patodia
Vice Chairman and Managing Director

Place : Mumbai
Date : 26.05.2012

NOTES FOR THE MEMBERS' ATTENTION

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The instrument appointing proxy should however be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of the Notice.

3. The Register of Members and Share Transfer Books of the company will remain closed from 1st August 2012 to 11th August 2012 (both days inclusive)

4. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends up to the Financial Year ended 31st March 2004 which were remaining unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investors Education and Protection Fund of the Central Government (the "Fund"). The dividends remaining unpaid or unclaimed for the Financial Year ended 31st March 2005 and thereafter shall similarly on expiry of the prescribed period of seven years also be transferred to the fund.

   Shareholders, who have so far not encashed the dividend warrant(s) for the Financial Year ended 31st March 2006 or for any financial years subsequent thereto, are requested to immediately forward the same to the company for revalidation.

   Also note that no claim shall lie against the said Fund or the company in respect of any amounts which were unclaimed and unpaid for a period of 7 (seven) years from the date that they first became due for payment and no payment shall be made in respect of any such claim.

5. Members are requested to notify change of address, if any, with Pin Code quoting reference to their folio number immediately to the Registrar.

6. Shareholders are requested to note the Company's Registrars and Share Transfer Agents for physical shares. M\s SKDC Consultants Limited (SKDC), Ganapathy Towers 3rd Floor, 1391/1 Sathy Road, Ganapathy, Coimbatore-641 006. SKDC is also having a depository interface of the company with both NSDL and CDSL.

7. Re-appointment of Directors

   At the ensuing Annual General Meeting Mr. N.K.Bafna retires by rotation and being eligible, offer for re-appointment. The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the statement on Corporate Governance published in this Annual Report.

By Order of the Board

Manojjkumar Patodia
Vice Chairman and Managing Director

Place : Mumbai
Date : 26.05.2012

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

RESOLUTION AT ITEM NO.4

Mr. Purushottam Patodia has been the Vice Chairman and Managing Director of the company from 20.10.1989 to 31.07.2008 and Chairman and Managing Director since 31.07.2008 and his tenure of office concludes on 31.03.2013. The Board of Directors has felt that it would be in the best interests of the company to appoint Mr. Purushottam Patodia as Chairman and Managing Director for a further period of three years. The Remuneration Committee of Directors and the Board of Directors at their meetings held on 26.05.2012 have approved for appointment of Mr. Purushottam Patodia as Chairman and Managing Director for a further period of THREE years with effect from 01.04.2013. The draft agreement to be entered into by the company with Mr. Purushottam Patodia in respect of his appointment, interalia, contains the following terms and conditions.

Name and Designation	:	Mr. Purushottam Patodia
		Chairman and Managing Director
Period	:	From 01.04.2013 to 31.03.2016
Remuneration	:	Rs.3,50,000 per month for three years.

Commission: Commission will be allowed in addition to salary and perquisites, the amount of which, based on the Net Profits of the company in a particular year, shall be subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956. The Board of Directors from time to time in its absolute discretion thereof will decide the amount of commission for each financial year or part.

Perquisites: Perquisites shall be allowed in addition to salary and shall be restricted to an amount equal to the annual salary.

PART A

1. **Housing**
   a. The expenditure by the company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary, over and above 10% payable by Mr. Purushottam Patodia.
   b. If the company does not provide accommodation to Mr. Purushottam Patodia, he shall be entitled to House Rent Allowance equivalent to 50% of the salary.
   c. If accommodation in the company owned house is provided to Mr. Purushottam Patodia, a deduction of 10% shall be made from his salary.

   Explanation: The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income tax Rules 1962. This shall however, be subject to a ceiling of 10% of the salary of Mr. Purushottam Patodia.
2. Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
3. Leave Travel Concession: Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company
4. Club Fees: Fees of clubs subject to a maximum of two clubs. No admission and Life Membership fees will be paid
5. Personal Accident Insurance: Personal Accident Insurance of an amount, the premium which shall not exceed Rs. 10,000 per annum

PART B

i. Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income tax Act, 1961. Gratuity payable shall not exceed half month's salary for each completed year of service.

ii. Earned leave: On full pay and allowances as per the rules of the company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

PART C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained wherein any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration as specified above as Minimum Remuneration.

The terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto.

Either party may terminate the agreement by giving to the other party six months' notice.

The draft agreement to be entered into between the Company and Mr. Purushottam Patodia is available for inspection at the Registered Office of the Company on any working day during the working hours from the date of this Notice up to the date of the 75th Annual General Meeting.

The Directors recommend the resolution set out at item No.4 of the Notice for approval by the shareholders. After approval of the resolution passed by the shareholders, the company will be approaching the Central Govt. for fixation of remuneration stated above.

The above narration be treated as an abstract of the terms of contract\appointment between the Company and Mr. Purushottam Patodia in pursuance to Section 302 of the Companies Act, 1956, when executed.

Mr. Manojjkumar Patodia and Mr. Anujj K.Patodia, being related to Mr. Purushottam Patodia, are deemed to be interested in this resolution mentioned in item No.4 of the notice.

RESOLUTION AT ITEM NO.5

Mr. Manojjkumar Patodia has been the Managing Director of the company from 01.01.1995 to 30.06.2009 and Vice Chairman and Managing Director since 30.06.2009 and his tenure of office concludes on 31.03.2013. The Board of Directors has felt that it would be in the best interests of the company to re-appoint Mr. Manojjkumar Patodia for a further period of THREE years as Vice Chairman and Managing Director. The Remuneration Committee of Directors and the Board of Directors at their meetings held on 26.05.2012 have approved for appointment of Mr. Manojjkumar Patodia as Vice Chairman and Managing Director for a further period of three years with effect from 01.04.2013. The draft agreement to be entered into by the company with Mr. Manojjkumar Patodia in respect of his appointment, inter alia, contains the following terms and conditions.

Name and Designation	:	Mr. Manojjkumar Patodia Vice Chairman and Managing Director
Period	:	From 01.04.2013 to 31.03.2016
Remuneration	:	Rs.2,60,000 per month for three years.

Commission: Commission will be allowed in addition to salary and perquisites, the amount of which, based on the Net Profits of the company in a particular year, shall be subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956. The Board of Directors from time to time in its absolute discretion thereof will decide the amount of commission for each financial year or part.

Perquisites: Perquisites shall be allowed in addition to salary and shall be restricted to an amount equal to the annual salary.

PART A

1. **Housing**
   a. The expenditure by the company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary, over and above 10% payable by Mr. Manojjkumar Patodia.
   b. If the company does not provide accommodation to Mr. Manojjkumar Patodia, he shall be entitled to House Rent Allowance equivalent to 50% of the salary.
   c. If accommodation in the company owned house is provided to Mr. Manojjkumar Patodia, a deduction of 10% shall be made from his salary.

   Explanation: The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per income tax Rules 1962. This shall however, be subject to a ceiling of 10% of the salary of Mr. Manojjkumar Patodia.
2. Children's Education Allowance: An allowance limited to a maximum of Rs. 60,000 per annum per child subject to a maximum of two children or Reimbursement of actual expenses incurred whichever is less.
3. Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
4. Leave Travel Concession: Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company
5. Club Fees: Fees of clubs subject to a maximum of two clubs. No admission and Life Membership fees will be paid
6. Personal Accident Insurance: Personal Accident Insurance of an amount, the premium which shall not exceed Rs.10,000 per annum

PART B

i) Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income tax Act, 1961. Gratuity payable shall not exceed half month's salary for each completed year of service.

ii) Earned leave: On full pay and allowances as per the rules of the company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

PART C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained wherein any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration as specified above as Minimum Remuneration.

The terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto.

Either party may terminate the agreement by giving to the other party six months' notice.

The draft agreement to be entered into between the Company and Mr. Manojjkumar Patodia is available for inspection at the Registered Office of the Company on any working day during the working hours from the date of this Notice up to the date of the 75th Annual General Meeting.

The Directors recommend the resolution set out at item No.5 of the Notice for approval by the shareholders. After approval of the resolution passed by the shareholders, the company will be approaching the Central Govt. for fixation of remuneration stated above.

The above narration is treated as an abstract of the terms of contract/appointment between the Company and Mr. Manojjkumar Patodia in pursuance to Section 302 of the Companies Act, 1956, when executed.

Mr. Purushottam Patodia and Mr. Anujj K.Patodia, being related to Mr. Manojjkumar Patodia, are deemed to be interested in this resolution mentioned in item No.5 of the notice.

RESOLUTION AT ITEM NO.6

Mr. Anujj K. Patodia has been the Executive Director of the company from 21.06.2002 to 30.06.2009 and Managing Director since 30.05.2009 and his tenure of office concludes on 31.03.2013. The Board of Directors has felt that it would be in the best interests of the company to re-appoint Mr. Anujj K. Patodia for a further period of THREE years as Managing Director. The Remuneration Committee of Directors and the Board of Directors at their meetings held on 26.05.2012 have approved for appointment of Mr. Anujj K. Patodia as Managing Director for a further period of three years with effect from 01.04.2013. The draft agreement to be entered into by the company with Mr. Anujj K. Patodia in respect of his appointment, inter-alia, contains the following terms and conditions.

Name and Designation	:	Mr. Anujj K. Patodia Managing Director
Period	:	From 01.04.2013 to 31.03.2016
Remuneration	:	Rs.2,50,000 per month for three years.

Commission: Commission will be allowed in addition to salary and perquisites, the amount of which, based on the Net Profits of the company in a particular year, shall be subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956. The Board of Directors from time to time in its absolute discretion thereof will decide the amount of commission for each financial year or part.

Perquisites: Perquisites shall be allowed in addition to salary and shall be restricted to an amount equal to the annual salary.

PART A

1. **Housing**
   a. The expenditure by the company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary, over and above 10% payable by Mr. Anujj K. Patodia.
   b. If the company does not provide accommodation to Mr. Anujj K. Patodia, he shall be entitled to House Rent Allowance equivalent to 50% of the salary.
   c. If accommodation in the company owned house is provided to Mr. Anujj K. Patodia, a deduction of 10% shall be made from his salary.

   Explanation: The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income tax Rules 1962. This shall however, be subject to a ceiling of 10% of the salary of Mr. Anujj K. Patodia.

2. Children's Education Allowance: An allowance limited to a maximum of Rs. 60,000 per annum per child subject to a maximum of two children or Reimbursement of actual expenses incurred whichever is less.

3. Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
4. Leave Travel Concession: Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company
5. Club Fees: Fees of clubs subject to a maximum of two clubs. No admission and Life Membership fees will be paid
6. Personal Accident Insurance: Personal Accident Insurance of an amount, the premium which shall not exceed Rs. 10,000 per annum

PART B

i) Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income tax Act, 1961. Gratuity payable shall not exceed half month's salary for each completed year of service.

ii) Earned leave: On full pay and allowances as per the rules of the company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

PART C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained wherein any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration as specified above as Minimum Remuneration.

The terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto.

Either party may terminate the agreement by giving to the other party six months' notice.

The draft agreement to be entered into between the Company and Mr. Anujj K. Patodia is available for inspection at the Registered Office of the Company on any working day during the working hours from the date of this Notice upto the date of the 75th Annual General Meeting.

The Directors recommend the resolution set out at item No.6 of the Notice for approval by the shareholders. After approval of the resolution passed by the shareholders, the company will be approaching the Central Govt. for fixation of remuneration stated above.

The above narration is treated as an abstract of the terms of contract\appointment between the Company and Mr. Anujj K. Patodia in pursuance to Section 302 of the Companies Act, 1956, when executed.

Mr. Purushottam Patodia and Mr. Manojjkumar Patodia, being related to Mr. Anujj K. Patodia, are deemed to be interested in this resolution mentioned in item No.6 of the notice.

Additional Information relevant to Mr. Purushottam Patodia, Chairman and Managing Director, Mr.Manojjkumar Patodia, Vice Chairman and Managing Director and Mr.Anujj K.Patodia, Managing Director as per the Notification of the Department of Company Affairs and also under the clause 49 of the Listing Agreement.

1. **General Information**

   i. Nature of Industry: The Company is doing Realty business and yam trading.

   ii. Date or expected date of commencement of commercial production: The Company was incorporated on November 16, 1936 and started production subsequently during the year.

   iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - Not Applicable

   iv. Financial performance based on given indicators- as per published audited financial results for the year ended 31st March 2012

   v. Export performance and Foreign exchange earned for the Financial Year ended 31st March 2012:-
   The Company's exports were Rs.93,058 thousands which accounts for 96.85% of total Turnover.
   The earnings in Foreign Exchange were Rs.85,383 thousands for the financial year ended 31st March 2012

   vi. Foreign investments or Collaborations if any: None

II. Information about the appointee

a. Background details

i. Mr. Purushottam Patodia aged 74 years is in the Board since 1989 and was appointed as Vice Chairman and Managing Director from 20.10.1989 to 31.07.2008 and Chairman and Managing Director since 31.07.2008.

ii. Present Remuneration - Rs. 3,50,000 per month (from April 2012 onwards)

iii. Recognition & Awards\Achievements: Mr. Purushottam Patodia is widely recognized personality in the textile world of the country. He has been rendered yeoman contribution for uplifting the raw cotton availability and for increasing crop yield in the country. Presently he is concentrating on the development in Realty Sector.

iv. Job profile and his suitability- Mr. Purushottam Patodia is the Vice Chairman and Managing Director of the company from 1989 to 2008 and Chairman and Managing Director since 2008. He has spearheaded export promotion organisations like the Cotton Textiles Export Promotion Council (TEXPROCIL), the Federation of Indian Exports Organisation (FIEO), the Confederation of Indian Textiles Industry (CITI) etcetra. He is a Committee member of Federation of Indian Chambers of Commerce and Industries (FICCI). He is serving as Chairman of Standing Committee on Cotton in CITI (Cotton Development Research Association). He has led many trade delegations to importing countries and has contributed richly towards establishing the country as a reliable supplier for textiles.

v. Proposed Remuneration: Rs. 3,50,000 Per month for three years.

vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :

Taking into consideration the size of the company, the profile of the appointee, the responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid comparable to similar other companies.

vii. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any:

Besides the remuneration proposed, the Chairman and Managing Director do not have any other pecuniary relationship with the company and its managerial personnel.

b. Background details

i. Mr. Manojjkumar Patodia aged 48 years is in the Board since 1995 and was appointed as Executive Director from 01.01.1995 to 31.12.2004 re-designated as the Managing Director from 01.01.2005 to 30.06.2009 and Vice Chairman and Managing Director since 30.06.2009

ii. Present Remuneration - Rs. 2,60,000 per month (from April 2012 onwards)

iii. Recognition & Awards\Achievements: Mr. Manojjkumar Patodia is serving various trade bodies and has been a well-known personality in the textile field. In addition to this, he is concentrating on the development in Realty Sector.

iv. Job profile and his suitability- Mr. Manojjkumar Patodia is the Managing Director of the company from 01.01.2005 to 30.06.200 and Vice Chairman and Managing Director since 30.06.2009. He is a Committee member in the Indian Merchants Chamber and also Committee member in Cotton Textiles Export Promotion Council. Further he is an Executive Committee Member in Federation of Indian Chambers of Commerce and Industry (FICCI Western Region). He is also a Managing Committee Member in All India Exporters Chamber and member in Rotary Club of Bombay. He has participated in trade delegations to importing countries and has contributed richly towards establishing the country as a reliable supplier for textiles. His services to the company are felt essential for its trade and operations.

v. Proposed Remuneration: Rs.2,60,000 per month for three years.

vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

Taking into consideration the size of the company, the profile of the appointee, the responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid comparable to similar other companies.

vii. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any.

Besides the remuneration proposed, the Vice Chairman and Managing Director do not have any other pecuniary relationship with the company and its managerial personnel.

c. Background details

i. Mr. Anujj K. Patodia aged 39 years is in the Board from 21.06.2002 to 30.06.2009 as Executive Director and Managing Director since 30.06.2009.

ii. Present Remuneration - Rs. 2,50,000 per month (from April 2012 onwards)

iii. Recognition & Awards\Achievements: Mr. Anujj K. Patodia is widely recognized in the textile industry especially in the Garments Sector. Presently he is concentrating on the development in Realty Sector.

iv. Job profile and his suitability- Mr. Anujj K. Patodia is an Executive Director of the company from 2002 to 2009 and Managing Director since 30.06.2009. He has rich experience in Garment Sector of textiles. He is a member in Entrepreneurs Organization. His services to the company are felt essential for furtherance of its trade, operations and expansions.

v. Proposed Remuneration: Rs.2,50,000 per month for three years.

vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :

Taking into consideration the size of the company, the profile of the appointee, the responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid comparable to similar other companies.

vii. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel if any.

Besides the remuneration proposed, Managing Director do not have any other pecuniary relationship with the company and its managerial personnel.

III. Other information

i. Reasons of loss or inadequate profits:

Inadequate of profits are due to discontinuance of operations in manufacturing under textiles segment. Presently the company is doing in Real estate business and the project is under progress.

ii. Steps taken or proposed to be taken for improvement :

The present project in pipeline is under work-in progress and the profit will be recognized at the appropriate time as per the Accounting policy of the company.

iii. Expected increase in productivity and profits in measurable terms:

The projects as stated above are profitable venture carried out through Partnership in which the company is one of the partners.

iv. Disclosure: The remuneration package of Managerial Personnel is mentioned in the Notice convening the Annual General Meeting of the company.

v. Service contracts, notice period, managerial personnel remuneration details are furnished in the Board of Directors Report under the heading of Corporate Governance to the Annual report.

By Order of the Board

Place : Mumbai
Date : 26.05.2012

Manojkumar Patodia
Vice Chairman and Managing Director

Details of Director seeking appointment/re-appointment in the forthcoming Annual General Meeting

Mr. N.K. Bafna

Date of Birth : 03.07.1939 Date of appointment: 26.08.1994

Expertise in specific functional Versatile experience stretching to over 4 decades in the field of Taxation, Accounts, Auditing and Corporate Management. He is a Chartered Accountant.

No. of shares held: Nil

List of companies in which Directorship held with other companies

Public Companies	Private Companies
GTN Textiles Limited Patspin India Limited National Collateral Management Services Ltd.	Nil
Partner in Firms	Other Position
Lodha & Co.	Nil

DIRECTORS' REPORT

To the Members
Your Directors are presenting their Seventy Fifth Annual Report and the Audited Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS AT A GLANCE

Year ended 31st March	2012 ₹. in thousands	2011 ₹. in thousands
Total Revenue	2,71,109	4,56,181
EBIDTA	**34,464**	2,10,058
Finance cost	**18,677**	30,215
Depreciation and Amortisation	**1,996**	2,253
Profit /(Loss) before taxes	**13,791**	1,77,590
Exceptional items	**44,500**	88,502
Extraordinary items	---	---
Current Taxation	---	---
Deferred taxation benefit/(Expenses)	---	---
Profit /(Loss) after tax	**(30,709)**	89,088
Surplus from previous year brought forward	**95,681**	6,593
Transfer from Business Reconstruction Reserve	**44,500**	88,502
Amount available for appropriation	**1,09,472**	1,84,183

DIVIDEND

Your Directors do not recommend a Dividend for the year ended 31st March 2012 to conserve funds.

REVIEW OF OPERATIONS

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

Realty Segment

Tirupur has been a forerunner in contributing to the nation's economy. Apart from remaining a driving force for exports business, it has a District Headquarters for sustainable economic growth which is apparent that various developments under infrastructure like water schemes, six lanes highway tracks approaching airport and underground sewage system are under progress. The city has a huge potential to contribute to the growth of realty sector.

You are aware that the prestigious multi-storied apartment project "Prime Enclave" has uplifted the Tirupur's living concept and the life style of the city is taking a new dimension with this kind of living conditions. The construction of Emerald and Opal Apartments has started.

The construction is in progress for the signature land mark project "THE ONYX" consisting of villas spread over 4.865 acres, amidst stunning lush landscapes with pebbled pathways and unique car free environment. Every villa has a private elevator and private pool in addition to the common swimming pool and a ultra modern club house.

Textile Segment

The economic recession in international markets has had a severe impact on the Indian textile segment. Your company continued to carry on its yarn trading exports.

CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements for the year ended March 31.2012 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. The Ministry of Corporate Affairs, Government of India, New Delhi vide its circular No.2 of 2011 dated 8th February 2011 granted general exemption under section 212(8) of the Companies Act, 1956 from attaching the Balance Sheet and statement of Profit and Loss and other documents of its subsidiaries and hence the same have not been attached for the Financial Year 2011-12.

The annual accounts of the subsidiaries will be made available at the Registered office of the company for inspection by any member of the company.

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, 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. The aggregate amount of deposits as at the year ended 31st March 2012 is Rs.10,665 thousands.

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 up to 2012-13. The company's application for delisting its equity shares from Coimbatore Stock Exchange 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 A and B.

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.

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act 1956, an amount of Rs. 108 thousands being unclaimed dividend 2003-04 was transferred during the year to the Investors Education and Protection Fund established by the Central Government.

COMPLIANCE CERTIFICATE :

In accordance with Section 383A of the Companies Act ,1956 and Companies (Compliance Certificate) Rules 2002, the Company has Obtained a certificate from Practicing Company Secratary and a copy of such certificate is annexed to this Report.

DIRECTORS

In accordance with the Articles of Association of the Company, Mr.N.K.Bafna retires by rotation as a 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 the 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.

AUDITORS

The Statutory Auditors of the Company, Messrs M.S.Jagannathan & Visvanathan, Chartered Accountants, 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

None of the employees of the company was in receipt of remuneration in excess of the limits prescribed under section 217(2)(A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

ACKNOWLEDGEMENTS

Your Directors record with a deep sense of gratitude to the working capital bankers for the excellent support and cooperation rendered by them to the company. Your Directors are thankful to its valuable customers, 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 : 26.05.2012

Purushottam Patodia
Chairman

ANNEXURE-A
Management's Discussion and Analysis

OVERVIEW

Prime Urban Development India Limited is a Government Recognized Star Export House. It has two business segments viz., Realty and Textiles.

BUSINESS ANALYSIS

The Realty Division of the company has been developing various residential/commercial projects on its lands owned by the Company. With the realty business being the core activity of the company, the Division is expected to achieve new heights. The Company has been imparting high level of professionalism in all its construction activities.

1. "Prime Enclave Vistas" the multi- storied prestigious residential complex is almost occupied and the construction of luxury apartment has commenced during the year. The construction of a commercial mall adjacent to the residential complex is yet to be taken up. The above projects are in a partnership firm in which the company holds a stake of 50%.

2. The construction of independent luxury villas which is a signature project "THE ONYX" in Tirupur has been commenced during the year. The project is designed with international standard for the luxury life style of living. There is an evinced good response from the prospective buyers.

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 planned to widely position its Realty Division through strategic partnerships for joint development of other properties. This will cater to a strong demand foreseen for dwelling units and leisure needs.

Financial Review and Analysis

Highlights

Year ended 31st March

Particulars	2012 ₹. in thousands	2011 ₹. in thousands
Total Revenue	**2,71,109**	4,56,181
PBIDT	**34,464**	2,10,058
Finance cost	**18,677**	30,215
Depreciation	**1,996**	2,253
Profit/(Loss) before Taxes	**13,791**	1,77,590
Exceptional items	**44,500**	88,502
Extraordinary items	**Nil**	Nil
Current tax	**Nil**	Nil
Profit/(Loss) after tax	**(30,709)**	89,088

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 audit cell, review by management and documented policies, guidelines and procedures. The Internal Control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets. 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 audit cell and provides oversight as necessary.

The internal audit cell function adequately provides -

1. objective assurance to the Board as to the effectiveness of the company's risk management and internal control framework;

2. assistance to the Board and the management to issues connected with the design, implementation, and operation of systems of internal control; and,

3. assistance to the Board through periodic reporting to support their review of effectiveness of internal control.

ANNEXURE B

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 : Not applicable

2. TECHNOLOGY ABSORPTION

(a) Processes for value addition : Nil
(b) Benefits : Nil
(c) Imported technology/imports in last five years: None

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Activity relating to Exports
Exports of value-added cotton yarns continue to be part of the business plans of the Company.
B. Plans and Initiatives taken to increase exports : Export of cotton yarns under the Outsourced Yarns Division is Continued.

4. TOTAL FOREIGN EXCHANGE EARNING AND OUTGO

(₹. in thousands)

	Year ended on March 31st	
	2012	2011
Total Foreign Exchange earnings	**85,383**	1,07,403
Total Foreign Exchange outgo	**2,090**	3,334

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26.05.2012

Purushottam Patodia
Chairman and Managing Director

PRIME URBAN DEVELOPMENT INDIA LIMITED

(Formerly Prime Textiles Limited)

REPORT ON CORPORATE GOVERNANCE YEAR ENDED 31ST MARCH 2012

(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 URBAN DEVELOPMENT INDIA LIMITED has recognized 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 three Non-Executive Independent Directors and three 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 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

Four Board Meetings were held during the year 2011-12 and the gap between two consecutive meetings did not exceed four months. The dates on which the Board Meetings held were 30th June 2011, 26th July 2011, 08th November 2011 and 25th January 2012.

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. Purushottam Patodia Chairman and Managing Director	Promoter Non Independent Executive	3	No
Mr. Manojjkumar Patodia Vice Chairman & Managing Director	Promoter Non Independent Executive	4	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.Anujj K.Patodia Managing Director	Promoter Non Independent Executive	4	Yes
Mr. N.K. Bafna	Independent Non Executive	4	No
Mr. Banwarilal Singhal	Independent Non Executive	4	No
Mr. Venkat Ramaswamy	Independent Non Executive	2	No

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	Nil	2	Nil	Nil
Mr. Manojjkumar Patodia	Nil	5	Nil	Nil
Mr. Anujj K.Patodia	Nil	7	Nil	Nil
Mr. N.K. Bafna	Nil	3	1	5
Mr. Banwarilal Singhal	Nil	5	5	8
Mr. Venkat Ramaswamy	Nil	5	Nil	2

The Company did not have any pecuniary relationship with any of the Non-Executive Directors during the year 2011-12.

f. Information supplied to the Board

Among others, information supplied includes

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

The Board of Prime Urban Development India Limited 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 2012 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 DGM (Finance) 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. Manojjkumar 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 DGM (Finance) 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 2011-2012 on 30th June 2011, 26th July 2011, 08th November 2011, and 25th January 2012.

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
Mr. Manojjkumar Patodia	Non Independent-Executive	4

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 and Mr.Manojjkumar Patodia as its Members. The DGM (Finance) acts as the Secretary of the Committee.

The Committee met 4 times during the year 2011-12 on 30th June 2011, 26th July 2011, 08th November 2011 and 25th January 2012. 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.

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	3
Mr.Manojjkumar Patodia	Non-Independent, Executive	4

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. Venkat Ramaswamy. The Committee is responsible for recommending the contract terms, remuneration and other benefits for Company's Managing/Whole-time Directors. The Committee met once on 30th June 2011.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. Banwarilal Singhal Committee Chairman	Independent, Non-Executive	1
Mr.N.K. Bafna	Independent, Non-Executive	1
Mr. Venkat Ramaswamy	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 :

₹. In thousands

Name of Director	Sitting fees	Salary	Contn.to P.F.	Perks	Total
Mr. Purushottam Patodia	Nil	4,278	468	705	5,451
Mr. Manojjkumar Patodia	Nil	3,1[illegible]0	338	443	3,901
Mr. Anujj K. Patodia	Nil	3,000	324	381	3,705
Mr. N.K.Bafna	80	--	--	--	80
Mr. Banwarilal Singhal	80	--	--	--	80
Mr. Venkat Ramaswamy	20	--	--	--	20
Total	180	10,398	1,130	1,529	13,237

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 organizational 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.Manojjkumar Patodia, Vice Chairman and Managing Director and Mr. Anujj 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.Banwarilal Singhal (Committee Chairman), Mr.N.K.Bafna, Director and Mr.Purushottam Patodia, Chairman and Managing Director as its Members. The Committee did not meet during the financial year ended 31st March 2012 as the terms of reference were transacted by the Board of Directors.

IV. SUBSIDIARY COMPANIES

Mr. Banwarilal 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 -

a. The Financial Statements, in particular, the investments, if any, made by the unlisted subsidiary company, are reviewed by the Audit Committee.

b. The Minutes of the Board Meetings of the subsidiary companies are noted at the Board Meetings of the company.

c. 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. 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 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.

VI. GENERAL BODY MEETINGS

General Body Meetings during last three years

Date of the meeting Time of the meeting	26.9.2009 4.00 P.M.	29.4.2010 4.00 P.M.	12.06.2010 4.00 P.M.	30.12.2010 4.00 P.M.	9.9.2011 4.00 P.M.
Nature of the Meeting	AGM	EGM	Board	AGM	AGM
Special resolutions put through postal ballot	None	None	1	None	None
Voting pattern	NA	NA	1,49,56,222 were polled out of which, 10,605 were rejected,1,430 were against 1,49,45,617 were in favour.	NA	NA
Person conducted postal ballot	NA	NA	Mr.G.Chandrasekhar, FCA, Chartered Accountant, Banguluru	NA	NA

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 16 (10) 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, and 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.

c) **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 DGM (Finance) 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.

d) **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.

e) Details of shareholdings of Non-Executive Directors

Name of Director	No. of shares held
Mr. Banwarilal Singhal	37,213

VIII. Means of Communication

1. Quarterly Results: The Quarterly Results are generally published in "Business Line" and "Tamil Murasu".
2. 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	:	11th August 2012
Date of Book Closure	:	1st August 2012 to 11th August 2012 (both days inclusive)
Day & Date	:	Saturday the 11th August 2012
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. The annual listing fees has been paid and there is no outstanding payment towards the Exchanges, as on date.

Stock Code : Bombay Stock Exchange Limited - 521149, Coimbatore Stock Exchange Limited - 21006

Financial Calendar (tentative)

First Quarter Results	:	Second week of August, 2012
Second Quarter/Half-Yearly Results	:	Fourth week of October, 2012
Third Quarter Results	:	Fourth week of January 2013
Annual Audited Results	:	Fourth week of May 2013

Registered Office

Prime Urban Development India Limited,
110, Avinashi Road, Gandhinagar P.O., Tirupur 641 603 (Tamil Nadu) Tel. : 0421-4307800 Fax : 0421-2471463
e-mail : uday@ptlonline.com Homepage : www.ptionline.com

Registrar and Transfer Agents

M/s. S.K.D.C. Consultants Limited
Kanapathy Towers 3rd Floor, 139/1A-1 Sathy Road, Ganapathy, Coimbatore 641 006, Tamilnadu
Phones:(0422)2539835, Fax:(0422) 2539837 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, M/s. 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 L70200TZ1936PLC000001. The Company is registered in Tirupur, in the State of Tamil Nadu.

X. Market Price Data

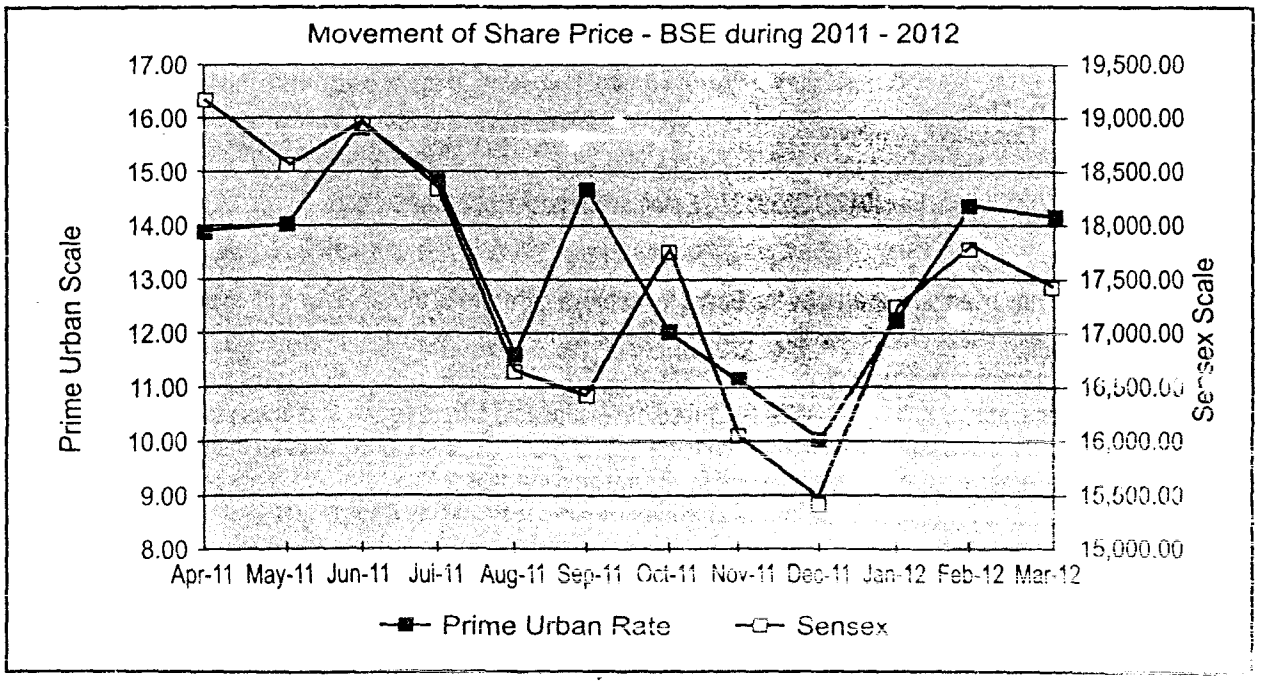
The High and Low prices of the Company's share (of face value of ₹. 2/- per share) from April 2011 to March 2012 [Source: BSE Website] :-

Month	Month's High ₹. Ps.	Month's Low ₹. Ps.
April 2011	16.53	13.87
May 2011	15.72	12.43
June 2011	18.27	13.51
July 2011	16.85	14.10
August 2011	14.90	11.62
September 2011	14.43	12.20
October 2011	14.29	12.00
November 2011	13.00	11.00
December 2011	11.70	10.00
January 2012	12.50	10.00
February 2012	16.00	11.44
March 2012	14.90	13.57

XI Distribution of Shareholding as on 31st March 2012

Shares	Shareholders	Percentage	Shares held	Percentage
Upto 500	4,281	94.55	2,174,691	9.56%
501-1000	112	2.47	416,613	1.83%
1001-2000	43	0.95	302,732	1.33%
2001-3000	33	0.73	418,144	1.84%
3001-4000	9	0.20	155,850	0.69%
4001-5000	8	0.18	183,552	0.81%
5001-10000	11	0.24	418,213	1.84%
10001 above	31	0.68	18,673,805	82.10%
Grant Total	**4,528**	**100.00**	**22,743,600**	**100.00%**

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



XIII Shareholding Pattern as on 31st March 2012

Description of Investors	Number of Shares held	Percentage of holding
Promoters	1,42,04,836	62.46
Directors and Relatives	94,713	0.42
Financial Institutions/Banks	25,000	0.11
Corporate Bodies	19,50,906	8.58
NRI and OCBs	9,920	0.04
Indian Public-Individuals	64,58,225	28.39
Total	2,27,43,600	100.00

XIV Dematerialisation of Shares and Liquidity

91.83% (2,08,84,975 equity shares) of the Company's paid-up Equity capital has been dematerialized up to 31st March 2012. Trading in Equity Shares is permitted only in dematerialized form as notified by SEBI. The volumes traded in stock exchanges are 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.

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 in the news papers. 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 26th May 2012.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26.05.2012

Purushottam Patodia
Chairman and Managing Director

PRIME URBAN DEVELOPMENT INDIA LIMITED

CHIEF EXECUTIVE OFFICER (CEO)

Declaration by the CEO under Clause 49 of the Listing Agreement

To
The Board of Directors
Prime Urban Development India Ltd
Tirupur

I, the undersigned, in my capacity as the Chief Executive Officer of Prime Urban Development India Limited ("the Company") to the best of my knowledge and belief hereby certify that:

A. I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2012 and based on my 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. I further state that to the best of my 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.

C. I 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.

D. I 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 I am aware and the steps I have taken or propose to take to rectify these deficiencies.

E. I 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 and Managing Director and CEO

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

AUDITORS' CERTIFICATE

The Members of
M/s. Prime Urban Development India 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 M/s. Prime Urban Development India Limited ('the Company') for the year ended March 31, 2012, 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 above mentioned 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 2012;

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.Vijayaraaghavan
Partner
Membership Number : 7534

Place : Mumbai
Date : 26.05.2012

PRIME URBAN DEVELOPMENT INDIA LIMITED

COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2012

CIN : L70200TZ1936PLC000001 Nominal Capital: Rs.20,00,00,000/-

To
The Members
PRIME URBAN DEVELOPMENT INDIA LIMITED
110, Avinashi Road,
TIRUPUR - 641 603.

Sirs,

I have examined the registers, records, books and papers of PRIME URBAN DEVELOPMENT INDIA LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2012 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1 The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.

2 The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.

3 The Company, being a public limited company has a paid up capital of Rs.4,54,87,200/- and listed with Bombay Stock Exchange Ltd, Mumbai.

4 The Board of Directors duly met four times respectively on 30.6.2011, 26.7.2011, 8.11.2011 and 25.1.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5 The Company has closed its Register of Members for the period from 1.9.2011 to 9.9.2011 (both days inclusive) during the financial year.

6 The 74th Annual General Meeting for the financial year ended on 31st March, 2011 was held on 09.09.2011 after giving due notice to the members of the company and the resolutions including circular resolution passed there at in the board meeting were duly recorded in the Minutes Book maintained for the purpose.

7 No Extra Ordinary General Meeting was held during the financial year.

8 The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act. However the Company has advanced to its subsidiary company a sum of Rs.101 thousands (previous year Rs.2,727 thousands).

9 The Company has not entered into any contracts falling within the purview of section 297 of the Act.

10 The Company has made necessary entries in the register maintained under section 301 of the Act.

11 As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.

12 The Board of Directors duly constituted the Share Transfer Committee of Directors has approved the issue of duplicate share certificates during the financial year.

13 i) There was no allotment/transfer/transmission of securities during the financial year.

ii) The Company has not declared any dividend during the financial year.

iii) The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.

iv) The Company has transferred the amounts in Unpaid dividend account for the year 2003-04 which have remained unclaimed or unpaid for a period of seven years to investor Education and Protection Fund on 24.11.2011.

v) Duly complied with the requirements of section 217 of the Act.

14 The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.

15 The Company's appointment of Managing Director/Whole-time Director/Manager has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act and separate approval of the Central Government has been obtained in respect of appointment of Mr.Purushottam Patodia, Chairman & Managing Director, Mr.Manojjkumar Patodia, Vice Chairman & Managing Director and Mr.Anujj K.Patodia, Managing Director, not being in terms of Schedule XIII.

16 The Company has not appointed any sole selling agents during the financial year.

17 The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.

18 The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19 The Company has not issued any shares, debentures or other securities during the financial year.

20 The Company has not bought back any shares during the financial year.

21 The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.

22 There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23 The Company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 the applicable directions issued by the Reserve Bank of India in respect of deposits accepted including unsecured loans taken, amounting to Rs.10,665 thousands (Previous year Rs.27,568 thousands) raised by the company during the year and the company has filed the copy of Statement in lieu of Advertisement with the Registrar of Companies, Coimbatore. The Company has also filed Return of Deposits with the Registrar of Companies.

24 The borrowings made during the year ended 31.3.2012 is within the borrowing limits of the company.

25 The company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.

26 The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.

27 The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.

28 The company has not altered the provisions of the memorandum with respect to change of name of the company during the year under scrutiny and complied with the provisions of the Act..

29 The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.

30 The Company has not altered its articles of association with respect to change of name of the company.

31 The Company has not changed its name during the year under scrutiny.

32 There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.

33 The Company has not received any amount as security from its employees during the year under certification and hence the provisions of section 417(1) of the Act were not applicable.

34 The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

(Sd.)**S. Rengasamy**
Practising Company Secretary
C.P. No.9901

Place : Coimbatore
Date : 26.05.2012

ANNEXURE 'A'

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2012

CIN : L70200TZ1936PLC000001 Nominal Capital: Rs.20,00,00,000/-

Registers maintained by the Company :

1) Board Meeting minutes u/s 193
2) Annual General Meeting Minutes u/s 193
3) Register of Members u/s 150
4) Register of Share Transfer
5) Register of Directors u/s 303
6) Register of Directors Share holdings u/s 307
7) Register of Contracts in which Directors are interested u/s 301 and 301(3)
8) Directors' Attendance Register in respect of Board Meetings and other Committee meetings.
9) Register of investments, loans and guarantees.

(Sd.)**S. Rengasamy**
Practising Company Secretary
C.P. No.9901

Place : Coimbatore
Date : 26.05.2012

ANNEXURE 'B'

FORMS AND RETURNS FILED BY THE COMPANY WITH THE REGISTRAR OF COMPANIES DURING THE FINANCIAL YEAR ENDING 31ST MARCH, 2012

S.No.	Form No. Return	Filed u/s	Particulars	Date of Filing Ch.No	Whether filed within prescribed time	If delay in filing whether requisite additional fees paid
1	Form 32	283(1)	Resignation of Director	B02698405 18.2.2011	Yes	Not applicable
2	Form 32	283(1)	Cessation of Company Secretary	B11127644 29.4.2011	Yes	Not applicable
3	Form 17	138	Satisfaction of Charge	B115666577 5.5.2011	Yes	Not applicable
4	Form 62	58A	Return of Deposits as at 31.3.2011	B15228463 29.6.2011	Yes	Not applicable
5	Form 32	283(1)	Resignation of Director	B15880982 9.7.2011	Yes	Not applicable
6	Form 32	283(1)	Resignation of Director	B16941221 26.7.2011	Yes	Not applicable
7	Form 32	283(1)	Resignation of Director	B17893827 9.8.2011	Yes	Not applicable
8	Form 62	58A	Statement in lieu of Advertisement	B20121240 12.9.2011	Yes	Not applicable
9	Form 23	262 & 283(1)	Registration of Resolution	B20417051 15.9.2011	Yes	Not applicable
10	Form 66	383A	Compliance Certificate for the YE 31.3.2011	P71839310 7.10.2011	Yes	Not applicable
11	Form 20B	159	Annual Return made upto 9.9.2011	P72498868 13.10.2011	Yes	Not applicable
12	Form 1INV	205C	Payment of unpaid dividend to Investors Protection Fund	B25585415 24.11.2011	Yes	Not applicable
13	Form 23AC & 23ACA XBRL	220	Balance Sheet, Profit & Loss A/c as at 31.3.2011	P84008028 29.11.2011	Yes	Not applicable

Regional Director: Nil Central Government & Other Authorities: Nil

(Sd./-)**S. Rengasamy**
Practising Company Secretary
C.P. No.9901

Place : Coimbatore
Date : 26.05.2012

AUDITORS' REPORT

AUDITOR'S REPORT TO THE MEMBERS OF M/s. PRIME URBAN DEVELOPMENT INDIA LIMITED (Formerly known as PRIME TEXTILES LIMITED)

1. We have audited the attached Balance Sheet of M/s.PRIME URBAN DEVELOPMENT INDIA LIMITED (Formerly known as PRIME TEXTILES LIMITED) as at 31st March 2012 and also the statement of Profit and Loss and the cash flow statement for the year ended on that date annexed thereto (collectively referred as the 'financial statement'). 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 as amended by the Companies (Auditor's Report) Amendment 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 Financial Statements dealt with by this report are in agreement with the books of account;
   iv) In our opinion, the Financial Statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 and rules framed there under;
   v) On the basis of written representations received from the directors, as on 31st March,2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 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 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 2012
   b) In the case of statement of Profit and Loss, the 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
FRN 001209S

M.J.Vijayaraaghavan
Partner
Membership Number : 7534

Place : Mumbai
Date : 26.05.2012

Annexure referred in our report of even date of the accounts for the year ended 31st March 2012 of M/s. PRIME URBAN DEVELOPMENT INDIA LIMITED. (Formerly known as 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, there was no sale of substantial part of fixed assets 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. 52,828 thousands and maximum outstanding during the year was Rs.52,850 thousands.

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 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, Employees' State Insurance, Income Tax, Investor Education protection Fund, Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues.

b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, value added tax, customs duty, service tax, 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. thousands	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income tax	1,75,504	A.Y. 2009-10	CIT (Appeals), Coimbatore

x) The Company does not have accumulated losses as at 31st March 2012. The Company has incurred cash loss of ₹. 28,713 thousands during the financial year covered by our audit and the Company has not incurred any cash loss during 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 or financial institutions.

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) No fraud on/or by the Company has been noticed or reported during the course of our Audit for the year.

For M.S.Jagannathan & Visvanathan
Chartered Accountants
FRN 001209S

M.J.Vijayaraaghavan
Partner
Membership Number : 7534

Place : Mumbai
Date : 26.05.2012

PRIME URBAN DEVELOPMENT INDIA LIMITED

BALANCE SHEET

₹ in thousands

Particulars	Note	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	**45,487**	45,487
(b) Reserves and Surplus	2	**15,67,197**	15,97,906
		16,12,684	16,43,393
(2) Non-current liabilities	3		
(a) Long-term borrowings		**54,570**	73,068
(b) Other Long term liabilities		**1,27,011**	1,27,025
(c) Long-term provisions		**3,960**	3,334
		1,85,541	2,03,427
(3) Current liabilities	4		
(a) Short-term borrowings		**91,418**	1,49,897
(b) Trade payables		**13,228**	14,031
(c) Other Current liabilities		**11,425**	59,608
		1,16,071	2,23,536
Total		**19,14,296**	20,70,356
II. ASSETS			
(1) Non-current assets	5		
(a) Fixed assets			
(i) Tangible assets		**15,77,107**	15,78,050
Sub-total -(a)		**15,77,107**	15,78,050
(b) Non-current investments		**73,003**	1,03,433
(c) Long-term loans and advances		**10,933**	11,885
Sub-total -(b)		**83,936**	1,15,318
(a) + (b)		**16,61,043**	16,93,368
(2) Current assets	6		
(a) Current investments		**2,175**	26,265
(b) Inventories		**1,27,498**	2,27,975
(c) Trade receivables		**1,331**	979
(d) Cash and cash equivalents		**13,955**	15,386
(e) Short-term loans and advances		**61,250**	59,334
(f) Other current assets		**47,044**	47,049
		2,53,253	3,76,988
Total		**19,14,296**	20,70,356

Significant Accounting Policies and accompanying notes 16 - 17

The accompanying notes are integral part of financial statements

As per our report of even date annexed
For **M.S.Jagannathan & Visvanathan**
Chartered Accountants
FRN 001209S

M.J.Vijayaraaghavan
Partner : M.No.7534

Place : Mumbai
Date : 26.05.2012

For and on behalf of the Board

Manojjkumar Patodia
Vice Chairman & Managing Director

Purushottam Patodia
Chairman & Managing Director

Anujj K. Patodia
Managing Director

Banwarilal Singhal
Director

STATEMENT OF PROFIT AND LOSS ACCOUNT

₹ in thousands

Particulars	Note	Year Ended 31.03.2012	Year Ended 31.03.2011
Income			
1 Revenue from operations	7	**2,66,598**	4,52,966
2 Other income	8	**4,511**	3,215
3 **Total Revenue (1 + 2)**		**2,71,109**	4,56,181
4 Expenses			
(a) Cost of Land sold	9	**94,947**	-
(b) Purchases of Stock-in-Trade	10	**86,160**	1,79,556
(c) Changes in inventories of finished goods and Stock-in-trade	11	**5,529**	18,363
(d) Employee benefit expenses	12	**18,478**	17,811
(e) Finance cost	13	**18,677**	30,215
(f) Depreciation and amortisation expenses		**1,996**	2,253
(g) Other expenses	14	**31,531**	30,393
Total expenses (a to g)		**2,57,318**	2,78,591
5 **Profit/(-) Loss before exceptional and extraordinary items and tax**		**13,791**	1,77,590
6 Exceptional items	15	**44,500**	88,502
7 **Profit/(-) Loss before extraordinary items and tax**		**(30,709)**	89,088
8 Extraordinary items		--	--
9 **Profit/(-) Loss Before Tax**		**(30,709)**	89,088
10 Tax expense :			
(a) Current Tax		--	--
(b) Deferred Tax		--	--
11 **Profit/(-) Loss for the year**		**(30,709)**	89,088
12 **Earnings Per Share :**			
Basic/Diluted Earnings Per Share before exceptional/extraordinary items		**0.61**	7.81
Basic/Diluted Earnings Per Share after exceptional/extraordinay items		**(1.35)**	3.92
(Face value of Rs. 2 each)			
Significant Accounting Policies and accompanying notes	16 - 17		
The accompanying notes are integral part of financial statements			

As per our report of even date annexed
For **M.S.Jagannathan & Visvanathan**
Chartered Accountants
FRN 001209S

M.J.Vijayaraaghavan
Partner : M.No.7534

Place : Mumbai
Date : 26.05.2012

For and on behalf of the Board

Manojjkumar Patodia
Vice Chairman & Managing Director

Purushottam Patodia
Chairman & Managing Director

Anujj K. Patodia
Managing Director

Banwarilal Singhal
Director

PRIME URBAN DEVELOPMENT INDIA LIMITED

CASH FLOW STATEMENT

Particulars	Year Ended 31.03.2012 ₹ in thousands	Year Ended 31.03.2011 ₹ in thousands
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	**13,791**	1,77,590
Adjustments for:		
Depreciation	**1,996**	2,254
Loss on sale of tangible assets (net)	**202**	10,648
Interest income	**(328)**	(290)
Finance cost	**18,677**	29,380
Gain on conversion of land in to stock in trade (land for development)	**-**	(2,15,939)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**34,338**	3,643
Changes in Working Capital:		
Increase / (Decrease) in trade payables	**(803)**	(6,799)
Increase / (Decrease) in provisions	**613**	-
Increase / (Decrease) in other current liabilities	**(46,881)**	(2,198)
Increase / (Decrease) in Short Term Borrowings	**(58,479)**	-
(Increase) / Decrease in trade receivables	**(352)**	1,14,559
(Increase) / Decrease in inventories	**1,00,477**	18,363
(Increase) / Decrease in margin money and unpaid dividend	**9**	1,568
(Increase) / Decrease in Short Term loans and advances	**(1,916)**	-
(Increase) / Decrease in other current assets	**5**	-
(Increase) / Decrease in Long Term loans and advances	**3**	-
Cash Generated from Operations	27,914	1,29,136
Taxes paid (net of refunds)	949	1,818
Net cash generated from operations before exceptional items	27,964	1,30,954
Exceptional items	(44,500)	(88,502)
Net cash generated from operating activities	(16,536)	42,452
B. Cash flow from Investing Activities:		
Purchase of tangible/intangible assets	**(2,637)**	(69)
Sale of tangible/intangible assets	**1,381**	52,739
Interest received	**328**	290
Sale/ (Purchase) of non-current investments	**54,520**	(24,126)
Net cash from investing activities	53,592	28,834
C. Cash flow from Financing Activities		
Finance cost paid	**(19,979)**	(29,750)
Proceeds from Long Term borrowings	**(18,498)**	(2,207)
Proceeds from short Term borrowings	**-**	(62,049)
Scheme expenses adjusted in Business Reconstruction Reserve	**-**	(617)
Net cash used in Financing Activities	**(38,477)**	(94,622)
Net increase in cash and cash equivalents	**(1,421)**	(23,336)
Cash and cash equivalents at the beginning of the year	**13,182**	36,518
Cash and cash equivalents at the end of the year	**11,761**	13,182
Reconciliation of Cash and Cash equivalents with the Balance sheet		
Cash and Cash equivalents as per Balance Sheet	**13,955**	15,386
Less : Bank Balances not considered as Cash and Cash equivalents		
Margin Money Deposit	**1,769**	1,670
Unpaid dividend	**425**	534
Net Cash and Cash equivalents at the year end	**11,761**	13,182

Note :The above cash flow statement prepared in indirect method as per "AS-3 Cash Flow Statements"

As per our report of even date annexed
For **M.S.Jagannathan & Visvanathan**
Chartered Accountants
FRN 001209S

M.J.Vijayaraaghavan
Partner : M.No.7534

Place : Mumbai
Date : 26.05.2012

Manojjkumar Patodia
Vice Chairman & Managing Director

Anuji K. Patodia
Managing Director

For and on behalf of the Board
Purushottam Patodia
Chairman & Managing Director

Banwarilal Singhal
Director

Notes to the Financial Statement

Note 1 : Share Capital

	As at 31st March, 2012		As at 31st March, 2011	
	Number	Amount in 000's	Number	Amount in 000's
Authorised				
Equity Shares of Rs.2 each	**6,25,00,000**	**1,25,000**	6,25,00,000	1,25,000
Preference Shares of Rs.100 each	**7,50,000**	**75,000**	7,50,000	75,000
Issued				
Equity Shares of Rs.2 each	**2,27,44,300**	**45,489**	2,27,44,300	45,489
Subscribed and paid up:				
Equity Shares of Rs.2 each	**2,27,43,600**	**45,487**	2,27,43,600	45,487

Note 1(a) : Share Capital movement

Particulars	Number	Amount in 000's	Number	Amount in 000's
Shares outstanding at the beginning of the year	2,27,43,600	45,487	2,27,43,600	45,487
Add : Shares issued during the year	--	--	--	--
Less : Shares bought back during the year	--	--	--	--
Less : Any other movement	--	--	--	--
Shares outstanding at the end of the year	2,27,43,600	45,487	2,27,43,600	45,487

Note 1(b) : Equity Shares of more than 5% and held by associates

Name of the Shareholder	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Anjana Syntex Company Limited - Associate	48,43,120	21.294%	48,43,120	21.294%
Pat Credit Limited - Associate	63,68,710	28.002%	63,68,710	28.002%

Note1(c) : Disclosure regarding Bonus Share, Redemption, Buy-Back, etc. for last five years :

Particulars	Preference shares	Equity Shares
	Number of Shares	
(i) Shares Redeemed	1,50,000 In 31.3.2008	--

Notes to the Financial Statement (Contd.)

₹ in thousands

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note 2		
Reserve and Surplus		
(a) General Reserve:		
Opening Balance	**1,83,117**	94,615
Add : Transfer from Profit and Loss Account	**44,500**	88,502
Closing Balance	**2,27,617**	1,83,117
(b) Business Reconstruction Reserve :		
Opening Balance	**13,19,108**	23,18,579
Less: Reduction due to a portion of Land Gifted to Government	--	97,181
Less: Expenses incurred for implementation of Scheme	--	617
Less: Reduction due to Land converted in to stock in trade	--	8,13,171
Less: Transfer to Profit and Loss account below	**44,500**	88,502
Closing Balance	**12,74,608**	13,19,108
(c) Surplus/(Deficit) in Profit and Loss account		
Opening Balance	**95,681**	6,593
Add : Profit/(-) Loss after Tax	**(30,709)**	89,088
Add : Transfer from Business Reconstruction Reserve (**)	**44,500**	88,502
Less: Transfer to General Reserve	**44,500**	88,502
Closing Balance	**64,972**	95,681
(**) in respect of exceptional items		
Total	**15,67,197**	15,97,906

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Secured (I)	Unsecured (II)	Secured (I)	Unsecured (II)
Note 3				
Non-Current Liabilities				
(a) Long Term Borrowings				
(i) Deferred payment liabilities				
Hire-purchase loan	1,171	--	857	--
(ii) Deposits				
From Public		200		15,477
From Directors	--	--	--	3,500
(iii) Loans and Advances from related parties	--	53,199	--	53,234
	1,171	53,399	857	72,211
Sub-total (a)		54,570		73,068
Nature of Security : Hire purchase loans are secured against vehicles acquired.				
Terms of Repayment : Hire purchase loan liabilities and terms to pay last instalment due is on 1.9.2016 and rate of interest is 11% per annum.				
		As at 31st March, 2012		As at 31st March, 2011
(b) Other Long Term Liabilities				
Trade payable		--		--
Others :-				
Due to a Partnership firm in which Company is a partner		1,27,011		1,27,025
Sub-total (b)		1,27,011		1,27,025
(c) Long Term Provisions				
Provision for Employee benefits:				
Superannuation		918		--
Gratuity		3,042		3,334
Sub-total (c)		3,960		3,334
Total (a+b+c)		1,85,541		2,03,427

Notes to the Financial Statement (Contd.)

₹ in thousands

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Secured (I)	Unsecured (II)	Secured (I)	Unsecured (II)
Note 4				
Current Liabilities				
(a) Short Term Borrowings				
(i) Loan repayable on demand				
From Banks	2,152	--	7,561	--
(ii) Deposits				
From Public	--	10,465	--	5,391
From Directors	--	--	--	3,200
From Inter-corporates	--	78,801	--	1,33,745
	2,152	89,266	7,561	1,42,336
(I) + (II) = Sub-total (a)		91,418		1,49,897
Nature of Security : *Secured loans are secured against hypothecation* of current assests and further secured by way of second charge over the land belonging to an Associate Company and further guaranteed by three of the Directors of the Company				
		As at 31st March, 2012		As at 31st March, 2011
(b) Trade payable				
(i) Due to suppliers and service providers		12,922		10,765
(ii) Others		306		3,266
Sub-total (b)		13,228		14,031
(c) Other Current Liabilities				
(i) Current maturities of long-term debts		1,371		4,933
(ii) Current maturities of finance lease obligations (hire purchase)		1,109		1,651
(iii) Interest accrued but not due on borrowings		38		1,340
(iv) Unpaid dividends		425		534
(v) Other payables :-				
Statutory dues payable		1,481		1,151
Advance from customers		7,001		50,000
Sub-total (c)		11,425		59,608
Total (a+b+c)		1,16,071		2,23,536

Notes to the Financial Statement (Contd.)

Note 5 : (a) Fixed Assets

₹ in thousands

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 31.3.2011	Additions	Deductions	As at 31.3.2012	Upto 31.3.2011	For the Year	Withdrawn	Upto 31.3.2012	As on 31.3.2012	As on 31.3.2011
Tangible Assets :										
Land - free hold	15,65,862	--	5	**15,65,857**	--	--	--	--	**15,65,857**	15,65,862
Buildings	2,000	--	--	**2,000**	1,218	22	--	1,240	**760**	782
Plant and Equipment	11,004	441	797	**10,648**	8,932	161	797	8,296	**2,352**	2,072
Furniture & Office Equipments	1,181	255	--	**1,436**	821	476	--	1,297	**139**	360
Motor Vehicles	15,361	1,941	3,228	**14,074**	6,387	1,337	1,649	6,075	**7,999**	8,974
Total	**15,95,408**	2,637	4,030	**15,94,015**	17,358	1,996	2,446	16,908	**15,77,107**	15,78,050
Previous year end Total	26,35,864	69	10,40,525	**15,95,408**	81,886	2,253	66,781	17,358	**15,78,050**	

Note :

1. Vehicles acquired on Hire-Purchase basis amounting to Rs.7,789 thousands (Previous year Rs.15,123 thousands) and net block amounts to Rs.5,441 (Previous year Rs.7,737 thousands).

₹ in thousands

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Quoted (I)	Un-Quoted (II)	Quoted (I)	Un-Quoted (II)
Note 5				
(b) Non-current Investments (Long Term at cost)				
(i) Investment in Equity Instruments				
(1) Subsidiaries - Trade				
ATL Textile Processors Limited (10,37,450 shares of Rs.10 each)	--	**51,445**	--	51,445
Manoj Yarn Processors Limited (50,900 shares of Rs.10 each)	--	**509**	--	509
PeeDee Yarn Processors Limited (10,900 shares of Rs.10 each)	--	**109**	--	109
Prime Hometex Industries (India) Limited (45,50,000 shares of Rs.10 each)	--	--	--	45,500
(2) Other entities - Non-Trade				
Velan Hotels Limited (2,000 shares of Rs.10 each)	**20**	--	20	--
Tirupur Infrastructure Development Company Limited (500 shares of Rs.1000 each)	--	**500**	--	500
(ii) Investment in Government or trust securities				
National Savings Certificate	--	--	--	50
(iii) Investment in Partnership firms / AOP				
Prime Developers	--	**100**	--	100
Prime Mall Developers	--	**100**	--	100
Prime Newline AOP	--	**20,220**	--	5,100
Aggregate amount of Quoted and Unquoted investments	20	**72,983**	20	1,03,413
Sub-total (b) (I + II)		**73,003**		1,03,433
Aggregate amount of market value of quoted investments	36	--	37	--

Notes to the Financial Statement (Contd.)

Note 5(b) Contd.

₹ In thousands

Name of the Partner in the firm / AOP	Total Capital	Share of Profit	Share of Loss
Prime Developers :			
1 Prime Urban Development India Limited	100	50.00%	66.66%
2 Pudumjee Industries Limited	100	12.50%	16.67%
3 Suma Commercial India Private Limited	--	12.50%	16.67%
4 Aristo Realty Developers Limited	--	25.00%	--
	200	100.00%	100.00%
Prime Mall Developers :			
1 Prime Urban Development India Limited	100	50.00%	66.66%
2 Pudumjee Industries Limited	100	25.00%	33.34%
3 Aristo Realty Developers Limited	--	25.00%	--
	200	100.00%	100.00%
Prime Newline - AOP :			
1 Prime Urban Development India Limited	20,220	75.00%	75.00%
2 Newline Buildtech Private Limited	6,740	25.00%	25.00%
	26,960	100.00%	100.00%

₹ in thousands

Particulars	As at 31st March, 2012	As at 31st March, 2011
5(c) Long-term Loans and Advances		
(i) Security Deposits	1,705	1,708
(ii) Other loans and advances		
Advance income tax (Net of provisions)	9,228	10,177
Sub-total (c)	10,933	11,885

₹ in thousands

	As at 31st March, 2012	As at 31st March, 2011
Note 6		
(a) Current Investments (At cost)		
Trade, Quoted		
(i) Investment in Mutual Funds / Bonds	2,175	26,265
(8% Indian Railway Finance Corp. Tax free Bond :2175 Units at Rs.1000 each		
Previous year Birla Sunlife :2,07,083 units of face value of Rs.10/unit and		
Birla Ultra short term fund - 24,01,524 units of face value of Rs.10 each)		
Sub-total (a)	2,175	26,265
Aggregate amount of quoted investments and market value thereof	2,159	26,265

Notes to the Financial Statement (Contd.)

Note 6 Contd.

₹ In thousands

	As at 31st March, 2012	As at 31st March, 2011
(b) Inventories		
(i) Finished goods - At cost or Net realisable value whichever is lower	6,507	12,036
(ii) Stock-in-trade		
Land - Valued at lower of cost and Net realisable value	1,20,991	2,15,939
Sub-total (b)	1,27,498	2,27,975
(c) Trade Receivables (current)		
(Unsecured and considered good unless otherwise stated)		
Doubtful and outstanding for more than six months	1,381	3,555
Less : Provision for doubtful debs	(1,381)	(3,555)
Outstanding more than six months	499	444
Outstanding less than six months	832	535
Sub-total (c)	1,331	979
(d). Cash and cash equivalents		
(i) Cash on hand	611	607
(ii) Balances with bank		
In current account	11,150	12,575
In Deposits under lien	1,769	1,670
(iii) Unpaid Dividend accounts	425	534
Sub-total (d)	13,955	15,386
(e) Short-term loans and advances		
(i) Balance in Partners' Current account	56,825	52,482
(II) Loans and advances to		
- Subsidiaries	101	2,727
- Associates	56	--
- Others	4,268	4,125
Sub-total (e)	61,250	59,334
(f) Other current assets		
(i) Claim receivable	46,800	46,800
(ii) Interest and other receivables	244	249
Sub-total (f)	47,044	47,049

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Note 7		
Revenue from operations :		
Textile Segment		
Cotton Yarn	88,764	1,21,298
Knitted Garments & Fabrics	3,024	92,034
Export Incentives	4,294	2,050
Realty Segment		
Profit on Sale of Land	7,897	19,886
Sale of Land - converted in to stock in trade	1,62,361	--
Share of Profit from a firm	216	595
Incidental income	42	1,164
Gain on conversion of Land into stock in trade held for development	--	2,15,939
Total	2,66,598	4,52,966

Notes to the Financial Statement (Contd.)

₹ in thousands

	Year ended 31-3-2012	Year ended 31-3-2011
Note 8		
Other Income		
Interest	328	290
Commission receipts	962	561
Profit on sale of assets	--	199
Dividend on current investments	1,516	782
Insurance claim	--	1,074
Liabilities no longer payable written back	1,422	--
Miscellaneous Income	283	309
Total	4,511	3,215
Note 9		
Cost of Land		
Cost of Land - converted into Stock - in - trade	94,947	--
	94,947	--
Note 10		
Purchase of Stock-in-Trade		
Purchase of Traded goods	86,160	1,79,556
	86,160	1,79,556
Note 11		
Changes in Stock of Finished Goods and Stock - in- trade		
Stock at Commencement:		
Finished Goods	12,036	30,255
Stock in Trade	--	144
(A)	12,036	30,399
Less :		
Stock at Closing:		
Finished Goods	6,507	12,036
(B)	6,507	12,036
Net Value (A) -(B)	5,529	18,363
Note 12		
Employee Benefits		
Salaries, Wages, Bonus and others	17,423	12,238
Contribution to Provident and other Funds	442	4,909
Welfare Expenses	613	664
Total	18,478	17,811
Note 13		
Finance cost		
Interest on Borrowings	18,125	29,380
Other finance cost	552	835
Total	18,677	30,215

Notes to the Financial Statement (Contd.)

₹ in thousands

	Year ended 31-3-2012	Year ended 31-3-2011
Note 14		
Other Expenses		
Insurance	377	946
Rates and taxes	767	585
Sitting Fees	180	390
Power and Fuel Charges	527	957
Rent	2,879	4,690
Repairs - Building	2,495	--
Repairs - Others	409	473
Communication Expenses	1,005	1,082
Travelling and Conveyance	6,962	7,509
Sales Commission	2,751	2,852
Freight and Forwarding	1,973	3,480
Donation	107	32
Legal and Professional fees	1,617	2,839
Auditors Remuneration	300	214
Loss on Sale of Assets	202	--
Bad and Doubtful Debts written off	122	--
Share of Loss in AOP in which Company is a Member	4,286	--
Bank Charges	428	249
Processing charges	--	42
Miscellaneous expenses	4,144	4,053
	31531	30,393
Note 15		
Exceptional Expenses		
Loss on disposal of Long Term Investments	44,500	--
Loss on sale of assets		10,847
Write off of non recoverable receivables and advances		77,655
(nett of write backs Rs. Nil ; pr.year 430 thousands)	44,500	88,502

Notes to the Financial Statement (Contd.)

Note 16
Additional information to the financial statements

1. Contingent liabilities and commitments (to the extent not provided for) :

₹ in thousands

	Particulars	As at 31st March, 2012	As at 31st March, 2011
(i)	Disputed Tax Demands (Including Interest up to the date of demand)		
	(a) Sales Tax	1,007	1,007
	(b) Income Tax	1,83,216	7,612
(ii)	Other money for which the company is contingently liable; Export Documentary bills discounted with Bank (Since Realized- Rs.7,425 thousand Previous year - Rs.24,560 Thousands)	15,443	30,050

2. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in thousands

	Particulars	2011 - 2012	2010 - 2011
(i)	Principal amount and Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(ii)	Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iii)	The amount of interest due and payable for the year	NIL	NIL
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(v)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	NIL	NIL

3. Expenditure in foreign currency :

₹ in thousands

	Particulars	2011 - 2012	2010-11
a	Sales Commission	1,521	2,813
b	Travelling expenses	569	521

4. Earnings in foreign exchange :

₹ in thousands

Particulars	2011 - 2012	2010-11
Export of goods calculated on FOB basis	85,383	1,07,403

5. Details of consumption of imported and indigenous items :

₹ in thousands

Particulars	2011 - 2012		2010-11	
Traded goods :		%		%
Indigenous	Nil	-	Nil	-
Imported	86,160	100%	1,79,566	100%

Notes to the Financial Statement (Contd.)

6. In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not less than the amount at which it is stated.

7. Auditors Remuneration :

₹ in thousands

Particulars	2011 - 2012	2010-2011
Audit fees	168	165
Tax Audit fees	17	17
Other fees	115	32
Total	300	214

8. Employee Benefit Plans :

a) Defined contribution plans :

The company contributed to Super annuation and Provident Fund to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll cost to fund benefits.

₹ in thousands

	Particulars	2011 - 2012	2010-2011
a	Provident Fund Contribution	1,341	931
b	Superannuation	1,225	606

b) Defined Benefit plan :

The Company offers Gratuity scheme to its employees under Group Gratuity Cash Accumulation Scheme of LIC of India

₹ in thousands

	Particulars	2011 - 2012	2010 - 2011
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	3,414	4,004
	Interest Cost	273	320
	Current Service Cost	120	137
	Benefits paid	(560)	(1,276)
	Actuarial Loss/(Gain) on obligations	420	229
	Present value of obligations as at the end of year	3,667	3414
3.	Changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	209	117
	Expected return on plan assets	35	28
	Contributions	942	1,340
	Benefits paid	(560)	(1,276)
	Actuarial Gain/(Loss) on Plan assets	Nil	Nil
	Fair value of plan assets at the end of year	626	209
4.	Fair value of plan assets		
	Fair value of plan assets at beginning of the year	209	117
	Actual return on plan assets	35	28
	Contributions	942	1,340
	Benefits paid	(560)	(1,276)
	Fair value of plan assets at the end of year	626	209
	Funded status	(3,041)	(3,204)

Notes to the Financial Statement (Contd.)

₹ in thousands

	Particulars	2011 - 2012	2010 - 2011
5.	Actuarial Gain/Loss recognized		
	Actuarial gain /(Loss) for the year - obligation	(420)	(229)
	Actuarial gain/(Loss) for the year - plan assets	Nil	Nil
	Total Loss/ (gain) for the year	420	229
	Actuarial Loss/(Gain) recognized in the year	420	229
6.	Amounts recognized in the balance sheet and Profit & Loss		
	Present value of obligations as at the end of the year	3,667	3,414
	Fair value of plan assets as at the end of the year	626	209
	Funded status	(3,041)	(3,204)
	Net Asset/(Liability) recognized in balance sheet	3041	3,204
7.	Expenses charged in statement of Profit and Loss account		
	Current Service cost	120	137
	Interest Cost	273	320
	Expected return on plan assets	(35)	(28)
	Net Actuarial loss/(gain) recognized in the year	420	229
	Expenses recognized in statement of Profit and Loss account	779	657

9. Segment Information :

₹ in thousands

	Particulars	2011 - 2012	2010 - 2011
	Segment Revenue :		
a.	Realty	1,70,516	2,37,585
b.	Textiles	96,082	2,15,381
	Segment Results :		
a.	Realty	64,628	2,30,025
b.	Textiles	(29,088)	(15,928)
	Sub total	35,540	2,14,097
	Less : Finance cost	18,676	30,215
	Less : Exceptional items	44,500	88,502
	Less : Un-allocable expenditure	3,072	6,292
	Profit/(Loss) before Extraordinary items	(30,709)	89,088
	Less : Extraordinary items	--	--
	Profit/(Loss) before tax	(30,709)	89,088
	Capital Employed		
a.	Realty	16,54,411	15,64,757
b.	Textiles	1,06,079	3,03,251

10 Disclosure in respect of related parties pursuant to Accounting Standard -18 (AS 18):-
List of Related Parties and nature of relationships:

(i)	Wholly owned subsidiaries	ATL Textile Processors Limited Manoj Yarn Processors Limited Pee Dee Yarn Processors Limited
(ii)	Associates	Aadarsh Jann Aawaash Limited Prime Developers Prime Mall Developers Prime New line AOP

Notes to the Financial Statement (Contd.)

(iii)	Key Managerial Personnel	Mr. Pursuhottam Patodia Chairman & Managing Director Mr. Manojjkumar Patodia Vice Chairman & Managing Director Mr. Anujj K.Patodia Managing Director
(iv)	Enterprises having Common Key Management Personnel	Pat Credit Limited Anjana Syntex Co. Limited
(v)	Relatives of Key Managerial Personnel	Mrs.Indirodevi Patodia wife of Mr. Purushottam Patodia Mrs.Nandita Patodia wife of Mr. Manojjkumar Patodia Mrs.Meenal Patodia wife of Mr.Anujj K Patodia

Transactions with related parties in the ordinary course of business :

₹ in thousands

Sl. No.	Nature of Transaction	Subsidiary Companies	Associates	Key Managerial Personnel	Enterprises /Relatives of Key Managerial Personnel	Total
1	Rent received	-- --	-- (3)	-- --	-- --	-- (3)
2	Share of Profit/(Loss) from firms	--	(4,070) (595)	-- --	-- --	(4,070) (595)
3	Expenses reimbursed from	159 (56)	2,959 (2,322)	-- --	-- --	3,118 (2,378)
4	Interest paid	-- --	-- --	129 (669)	374 (634)	503 (1,303)
5	Directors' Remuneration / sitting fees	--	-- --	13,058 (6,159)	185 (185)	13,244 (6,344)
6	Balance as on 31.3.2012					
7	**Amount Payable:**					
	ATL Textile Processors Ltd.	52,828				52,828
	Pee Dee Yarn Processors Ltd	371				371
	Prime Mall Developers		1,27,011			1,27,011
8	**Amount Receivable:**					
	Manoj Yarn Processors Ltd.	101				101
	Aadarsh Jann Aawaash Ltd		56			56
	Prime Developers		44,106			44,106
	Prime Newline AOP		12,719			12,719

11 Details of Lease arrangements :

The Company has entered into finance lease arrangements (Hire-Purchase) for vehicles and Future minimum lease payments and minimum lease payments are as follows :

Due	Total Minimum Lease Payments Outstanding	Future interest on Outstanding	Present value of Minimum Lease Payments
1. Within one year	**1,109** (1,651)	**191** (216)	**1,300** (1,867)
2. Between one year to five years	**1,171** (857)	**250** (37)	**1,421** (894)
Total	**2,280** (2,508)	**441** (253)	**2721** (2761)

Figures in bracket are of previous year's

Notes to the Financial Statement (Contd.)

12. Earnings Per Share :

₹ in thousands

	Particulars	2011 - 2012	2010-2011
a.	Profit/(Loss) after tax excluding exceptional items	13,791	1,77,590
b.	Less : Exceptional items	44,500	88,502
c.	Profit/(Loss) after tax including exceptional items	(30,709)	89,088
d.	Number of Equity shares outstanding	2,27,43,600	2,27,43,600
e.	Basic/Diluted Earnings Per Share (EPS) :		
	- EPS excluding exceptional items (a/d)	0.61	7.81
	- EPS including exceptional items (c/d)	(1.35)	3.92
f.	Face value per share - in ₹.	2 per share	2 per share

13. Consolidated Financial Statements :
As per Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 23 on " Accounting for Investments in Associates in Consolidated Financial Statements" notified under the "The Companies Accounting Standards Rules, 2006" the company has presented Consolidated Financial Statements separately, in this annual report.

14. Deferred Tax Asset/(Liability):
Timing difference comprises of :

₹ in thousands

Particulars	2011 - 2012	2010-2011
Deferred Tax Asset		
1. Expenses covered by 43B	67	1,098
2. Carry forward Unabsorbed Depreciation	74,474	66,256
Total	74,541	67,354
Deferred Tax Liability		
1. Depreciation	4,598	4,426
2. Others	(101)	(2,233)
Total	4,497	2,193
Net Deferred Tax Asset/(Liability)	70,044	65,161

As a matter of the commercial prudence, net deferred tax asset has not been recognised.

15. Previous year's figures are re-grouped/re-arranged, wherever necessary inter-alia to conform to the Revised Schedule VI classification.

Note 17
Significant Accounting Policies

1. **General:**
Accounts are prepared on historical cost (except Land at reinstated value) and on the accounting principles of a going concern. The income and expenditure are recognized on accrual basis except those with significant uncertainties.

2. **Fixed Asset:**
Fixed Assets (except Land) are stated at cost of acquisition or construction 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.

Land value is stated at Reinstated Value

Notes to the Financial Statement (Contd.)

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 indication 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, if any.

5. **Valuation of Inventories:**
   a. Cost of Materials is determined on specific identification method and other costs incurred in bringing the inventories to their present location and condition.
   b. Land areas transferred to stock-in-trade (land held for development) are valued at lower of cost (as re-valued on conversion to stock) and net realisable value.

6. **Revenue Recognition:**
   a) **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 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.
   b) **Textile:** Product sales are exclusive of the excise duty, VAT, insurance and trade discounts.

7. **Borrowing Cost:**
Borrowing cost 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 cost is charged to Profit and Loss Account.

8. **Depreciation:**
   a. Depreciation on fixed assest is provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act 1956.
   b. Assets soid/discarded/demolished during the year, no depreciation is provided for.

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.

Notes to the Financial Statement (Contd.)

10. Foreign Currency Transactions:

a. 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.

b. Foreign currency assets and liabilities are stated at the rate of exchange prevailing at the year-end and resultant gains/loses 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 expenses over the life of the contract.

11. Taxation:

a) Provision for Current tax is made on the basis of estimated taxable income for the year or computed in accordance with the Income-Tax Act, 1961.

b) 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 the Financial Statements and are determined based on the perception of the Management on the eventuality of the liability, materiality, contingent thereto.

14. 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.

For and on behalf of the Board

As per our report of even date annexed
For **M.S.Jagannathan & Visvanathan**
Chartered Accountants
FRN 001209S

Manojjkumar Patodia
Vice Chairman & Managing Director

Purushottam Patodia
Chairman & Managing Director

M.J.Vijayaraaghavan
Partner : M.No.7534

Anujj K. Patodia
Managing Director

Banwarilal Singhal
Director

Place : Mumbai
Date : 26.05.2012

AUDITORS' REPORT

Report of the Auditors to the Board of Directors of Prime Urban Development India Limited, Tirupur.

We have audited the attached consolidated Balance Sheet of Prime Urban Development India Limited (Prime Urban) and its subsidiaries collectively referred to as the "Prime Urban Group" as at 31st March, 2012, and also the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended as on the date. These financial statements are the responsibility of the management of Prime Urban Group and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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 and Pee Dee Yarn Processors Limited subsidiaries, and a partnership firm Prime Newline-AOP which was audited by us and above mentioned entities' financial statements reflect total assets of Rs.18,89,541 thousands as at 31st March, 2012, the total revenue of Rs.2,71,109 thousands for the year ended 31st March, 2012 and cash flow outflows amounting to Rs.1,634 thousands for the year then ended. Those financial statements which were audited by other auditors whose reports have been furnished to us, and in our opinion, so far as it relates to those 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 the 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 National Council of Accounting Standards, on the basis of the individual financial statements of Prime Urban Development India Limited and its subsidiary and an associate, 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 Urban Development India Limited and with its subsidiaries and the other entity as at 31st March, 2012.

b) In the case of the Consolidated Statement of Profit and Loss, of the consolidated results of operation of Prime Urban Development India Limited and its subsidiaries and the other entity for the year ended on that date, and

c) in the case of the Consolidated Cash Flow statement of the consolidated cash flow of Prime Urban Development India Limited and its subsidiaries and the other entity 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 Urban Development India Limited, and its subsidiaries and the other entity as at 31st March, 2012 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
FRN 001209S

Place : Mumbai
Date : 26.05.2012

M.J.Vijayaraaghavan
Membership No. 7534 Partner

PRIME URBAN DEVELOPMENT INDIA LIMITED

CONSOLIDATED BALANCE SHEET

₹ In thousands

Particulars	Note	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	45,487	45,487
(b) Reserves and Surplus	2	15,63,978	15,99,035
		16,09,465	16,44,522
(2) Share application money pending allotment			
(3) Non-current liabilities	3		
(a) Long-term borrowings		1,371	19,834
(b) Other Long term liabilities		1,27,011	1,27,025
(c) Long-term provisions		3,960	3,334
		1,32,342	1,50,193
(4) Current liabilities	4		
(a) Short-term borrowings		1,18,143	1,49,897
(b) Trade payables		18,016	14,811
(c) Other Current liabilities		11,575	59,608
(d) Short-terms provisions		--	--
		1,47,734	2,24,316
Total		18,89,541	20,19,031
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	5		
(i) Tangible assets		15,77,059	15,78,076
(ii) Capital work in progress		--	7,259
Sub-total -(a)		15,77,059	15,85,335
(b) Non-current investments		720	5,870
(c) Long-term loans and advances		31,106	12,485
(d) Other non-current assets		77	40,934
Sub-total -(b)		31,903	59,289
(a) + (b)		16,08,962	16,44,624
(2) Current assets	6		
(a) Current investments		2,175	26,265
(b) Inventories		1,71,543	2,27,975
(c) Trade receivables		1,331	979
(d) Cash and cash equivalents		14,144	15,547
(e) Short-term loans and advances		44,213	56,592
(f) Other current assets		47,173	47,049
Total		2,80,579	3,74,407
		18,89,541	20,19,031

Significant Accounting Policies and accompanying notes 16 - 17

The accompanying notes are integral part of financial statements

As per our report of even date annexed
For **M.S.Jagannathan & Visvanathan**
Chartered Accountants
FRN 001209S

M.J.Vijayaraaghavan
Partner : M.No.7534

Place : Mumbai
Date : 26.05.2012

For and on behalf of the Board

Manojjkumar Patodia
Vice Chairman & Managing Director

Purushottam Patodia
Chairman & Managing Director

Anujj K. Patodia
Managing Director

Banwarilal Singhal
Director

STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

₹ In thousands

Particulars	Note	Year Ended 31.03.2012	Year Ended 31.03.2011
Income			
1 Revenue from operations	7	**2,66,598**	4,52,975
2 Other income	8	**4,511**	3,215
3 **Total Revenue (1 + 2)**		**2,71,109**	4,56,190
4 **Expenses**			
(a) Cost of Land sold	9	**94,947**	--
(b) Purchases of Stock-in-Trade	10	**86,160**	1,79,556
(c) Changes in inventories of finished goods and Stock-in-trade	11	**5,529**	18,363
(d) Employee benefit expenses	12	**20,302**	17,811
(e) Finance cost	13	**18,677**	30,215
(f) Depreciation and amortisation expenses		**2,054**	2,254
(g) Other expenses	14	**33,997**	30,698
Total expenses (a to g)		**2,61,666**	2,78,897
5 **Profit/(-) Loss before exceptional and extraordinary items and tax**		**9,443**	1,77,293
6 Exceptional items	15	**44,500**	88,502
7 **Profit/(-) Loss before extraordinary items and tax**		**(35,057)**	88,791
8 Extraordinary items		**--**	--
9 **Profit/(-) Loss Before Tax**		**(35,057)**	88,791
10 Tax expense :			
(a) Current Tax		**--**	--
(b) Deferred Tax		**--**	--
11 **Profit/(-) Loss for the year**		**(35,057)**	88,791
12 **Earnings Per Share :**			
Basic/Diluted Earnings Per Share before exceptional/extraordinary items		**0.42**	7.80
Basic/Diluted Earnings Per Share after exceptional/extraordinay items		**(1.54)**	3.90
(Face value of Rs. 2 each)			
Significant Accounting Policies and accompanying notes	16 - 17		
The accompanying notes are integral part of financial statements			

As per our report of even date annexed
For **M.S.Jagannathan & Visvanathan**
Chartered Accountants
FRN 001209S

M.J.Vijayaraaghavan
Partner : M.No.7534

Place : Mumbai
Date : 26.05.2012

For and on behalf of the Board

Manojjkumar Patodia
Vice Chairman & Managing Director

Purushottam Patodia
Chairman & Managing Director

Anujj K. Patodia
Managing Director

Banwarilal Singhal
Director

PRIME URBAN DEVELOPMENT INDIA LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Particulars	Year Ended 31.03.2012 ₹ in thousands	Year Ended 31.03.2011 ₹ in thousands
A. Cash Flow from Operating Activities		
NET PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	**9,443**	1,77,293
Adjustments for:		
Depreciation	**2,054**	2,254
Amortisation		
Loss on sale of tangible assets (net)	**202**	10,648
Interest income	**(328)**	(290)
Finance cost	**18,677**	29,380
Gain on conversion of land in to stock in trade (land for development)	--	(2,15,939)
Unrealised foreign currency losses		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**30,048**	**3,346**
Changes in Working Capital:		
Increase / (Decrease) in trade payables	**3,205**	(6,889)
Increase / (Decrease) in provisions	**612**	--
Increase / (Decrease) in other current liabilities	**(46,731)**	(2,330)
Increase / (Decrease) in Short Term Borrowings	**(31,754)**	--
(Increase) / Decrease in trade receivables	**(352)**	1,08,492
(Increase) / Decrease in inventories	**56,432**	18,363
(Increase) / Decrease in margin money and unpaid dividend	**9**	1,569
(Increase) / Decrease in Short Term loans and advances	**12,380**	--
(Increase) / Decrease in other current assets	**40,732**	--
(Increase) / Decrease in Long Term loans and advances	**(19,570)**	--
Cash Generated from Operations	**45,011**	**1,22,551**
Taxes paid (net of refunds)	**950**	1,814
Net cash generated from operations before exceptional items	**45,961**	**1,24,365**
Exceptional items	**44,500**	(88,502)
Net cash generated from operating activities	**1,461**	**35,863**
B. Cash flow from Investing Activities:		
Purchase of tangible/intangible assets	**(2,647)**	(125)
Sale of tangible/intangible assets	**1,408**	58,331
Interest received	**328**	290
Sale/ (Purchase) of non-current investments	**29,240**	(23,225)
(Increase) /Decrease in Capital work in progress	**7,259**	--
Net cash from investing activities	**35,588**	**35,271**
C. Cash flow from Financing Activities		
Finance cost paid	**(19,979)**	(29,751)
Proceeds from Long Term borrowing	**(18,463)**	(2,206)
Repayment of Long Term borrowing		
Proceeds from short Term borrowing	--	(62,837)
Scheme expenses adjusted in Business Reconstruction Reserve	--	(617)
Net cash used in Financing Activities	**(38,442)**	**(95,411)**
Net increase in cash and cash equivalents	**(1,393)**	(24,277)
Cash and cash equivalents at the beginning of the year	**(13,343)**	37,620
Cash and cash equivalents at the end of the year	**(11,950)**	**13,343**
Reconciliation of Cash and Cash equivalents with the Balance sheet		
Cash and Cash equivalents as per Balance Sheet	**14,144**	**15,547**
Less : Bank Balances not considered as Cash and Cash equivalents		
Margin Money Deposit	**1,769**	1,670
Unpaid dividend	**425**	534
Net Cash and Cash equivalents at the year end	**11,950**	13,343

As per our report of even date annexed
For **M.S.Jagannathan & Visvanathan**
Chartered Accountants
FRN 001209S

M.J.Vijayaraaghavan
Partner : M.No.7534

Place : Mumbai
Date : 26.05.2012

For and on behalf of the Board

Manojkumar Patodia
Vice Chairman & Managing Director

Purushottam Patodia
Chairman & Managing Director

Anujj K. Patodia
Managing Director

Banwarilal Singhal
Director

Notes to the Financial Statement (Consolidated)

Note 1 : Share Capital

	As at 31st March, 2012		As at 31st March, 2011	
	Number	Amount in 000's	Number	Amount in 000's
Authorised				
Equity Shares of Rs. 2 each	**6,25,00,000**	**1,25,000**	6,25,00,000	1,25,000
Preference Shares of Rs.100 each	**7,50,000**	**75,000**	7,50,000	75,000
Issued				
Equity Shares of Rs. 2 each	**2,27,44,300**	**45,489**	2,27,44,300	45,489
Subscribed and paid up:				
Equity Shares of Rs. 2 each	**2,27,43,600**	**45,487**	2,27,43,600	45,487

Note 1(a) : Share Capital movement

Particulars	Number	Amount in 000's	Number	Amount in 000's
Shares outstanding at the beginning of the year	2,27,43,600	45,487	2,27,43,600	45,487
Add : Shares issued during the year	--	--	--	--
Less : Shares bought back during the year	--	--	--	--
Less : Any other movement	--	--	--	--
Shares outstanding at the end of the year	2,27,43,600	45,487	2,27,43,600	45,487

Note 1(b) : Equity Shares of more than 5% and held by associates are:

Name of the shareholder	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
Anjana Syntex Company Limited - Associate	48,43,120	21.294%	48,43,120	21.294%
Pat Credit Limited - Associate	63,68,710	28.002%	63,68,710	28.002%

Note1(c) : Disclosure regarding Bonus Share, Redemption, Buy-Back, etc. for last five years :

Particulars	Preference shares	Equity Shares
	Number of Shares	
(i) Shares Redeemed	1,50,000 In 31.3.2008	--

Notes to the Financial Statement Consolidated (Contd.)

₹ in thousands

	As at 31st March, 2012	As at 31st March, 2011
Note 2		
Reserve and Surplus		
(a) General Reserve:		
Opening Balance	1,83,117	94,615
Add : Transfer from Profit and Loss Account	44,500	88,502
Closing Balance	2,27,617	1,83,117
(b) Business Reconstruction Reserve :		
Opening Balance	13,19,108	23,18,579
Less: Reduction due to a portion of Land Gifted to Government	--	97,181
Less: Expenses incurred for implementation of Scheme	--	617
Less: Reduction due to Land converted in to stock in trade	--	8,13,171
Less: Transfer to Profit and Loss account below	44,500	88,502
Closing Balance	12,74,608	13,19,108
(c) Surplus/(Deficit) in Profit and Loss account		
Opening Balance	96,810	8,018
Add : Profit/(-) Loss after Tax	(35,057)	88,791
Add : Transfer from Business Reconstruction Reserve (**)	44,500	88,502
Less: Transfer to General Reserve	44,500	88,502
Closing Balance	61,753	96,809
(**) in respect of exceptional items		
Total	15,63,978	15,99,034

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Secured (I)	Unsecured (II)	Secured (I)	Unsecured (II)
Note 3				
Non-Current Liabilities				
(a) Long Term Borrowings				
(i) Deferred payment liabilities				
Hirepurchase loan	1,171	--	857	--
(ii) Deposits				
From Public	--	200	--	15,477
From Directors	--	--	--	3,500
(iv) Loans and Advances from related parties	--	--	--	--
Sub-total (a) (I+II)	1,171	200	857	18,977
		1,371		19,834
Nature of Security : Hire purchase loans are secured against vehicles acquired.				
Terms of Repayment : Hire purchase loan liabilities and terms to pay last instalment due is on 1.9.2016 and rate of interest is11% per annum.				
(b) Other Long Term Liabilities		As at 31st March, 2012		As at 31st March, 2011
Trade payable				
Others				
- Due to a Partnership firm in which Company is a partner		1,27,011		1,27,025
Sub-total (c)		1,27,011		1,27,025
(c) Long Term Provisions				
Provision for Employee benefits:				
- Superannuation		918		--
- Gratuity		3,042		3,334
Sub-total (d)		3,960		3,334
Total		1,32,342		1,50,193

Notes to the Financial Statement Consolidated (Contd.)

₹ in thousands

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Secured (I)	Unsecured (II)	Secured (I)	Unsecured (II)
Note 4				
Current Liabilities				
(a) Short Term Borrowings				
(i) Loan repayable on demand				
From Banks	28,877	--	7,561	--
From Others				
(ii) Deposits				
From Public	--	10,465	--	5,391
From Directors	--	--	--	3,200
From Inter-corporates	--	78,801	--	1,33,745
	28,877	89,266	7,561	1,42,336
(I) + (II) = Sub-total (a)		1,18,143		1,49,897
Nature of Security :				
Secured loans are secured against hypothecation of current asset and further secured by way of second charge over the land belonging to an Associate Company and further guaranteed by three of the Directors of the Company				
		As at 31st March, 2012		As at 31st March, 2011
(b) Trade payable				
(i) Due to suppliers and service providers		17,493		1,07,65
(ii) Others		523		4,046
Sub-total (b)		18,016		14,811
(c) Other Current Liabilities				
(i) Current maturities of long-term debts		1,371		4,932
(ii) Current maturities of finance lease obligations (hire purchase)		1,109		1,651
(iii) Interest accrued but not due on borrowing		38		1,340
(iv) Unpaid dividends		425		534
(v) Other payables				
Statutory dues payable		1,481		1,151
Advance from customers		7,151		50,000
Sub-total (c)		11,575		59,608
(d) Short Term Provisions				
Provision for Employee benefits :				
- Other provision		--		--
Total		1,47,734		2,24,316

Notes to the Financial Statement Consolidated (Contd.)

Note 5 : (a) FIXED ASSETS

₹ in thousands

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 31.3.2011	Additions	Deductions	**As at 31.3.2012**	Upto 31.3.2011	For the Year	Withdrawn	Upto 31.3.2012	**As on 31.3.2012**	As on 31.3.2011
Tangible Assets :										
Land - free hold	15,65,866	--	5	**15,65,861**	--	--	--	--	**15,65,861**	15,65,866
Buildings	1,999	--	--	**1,999**	1,216	22	--	12 38	**761**	783
Plant and Equipment	10,999	441	797	**10,643**	8,935	161	7 97	82 99	**2,344**	2,064
Furniture & Office Equipments	1,219	265	26	**1,458**	829	534	--	13 63	**95**	390
Motor Vehicles	15,361	1,941	3,228	**14,074**	6,388	1,337	16 49	60 76	**7,998**	8,973
Total	15,95,444	2,647	4,056	**15,94,035**	17,368	2,054	24 46	1 69 76	**15,77,059**	15,78,076
Previous year end Total	26,41,523	72	10,46,151	**15,95,444**	81,896	2,254	6 67 82	1 73 68	**15,78,076**	

Note :

1. Vehicles acquired on Hire-Purchase basis amounting to Rs.7789 thousands (Previous year Rs.15123 thousands) and net block amounts to Rs.5441 (Previous year Rs.7737 thousands).

₹ in thousands

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Secured (I)	Unsecured (II)	Secured (I)	Unsecured (II)
Note 5				
(b) Non-current Investments (Long Terms at cost)				
(i) Investment in Equity Instruments	--	--	--	--
Other entities - Non-Trade				
Velan Hotels Limited (2,000 shares of Rs.10 each)	20	--	20	--
Tirupur Infrastructure Development Company Limited (500 shares of Rs.1000 each)	--	500	--	500
(ii) Investment in Government or trust securities				
National Savings Certificate	--	--	--	50
(iii) Investment in Partnership firms / AOP				
Prime Developers	--	100	--	100
Prime Mall Developers	--	100	--	100
Prime Newline AOP	--	--	--	5,100
Aggregate amount of Quoted and Unquoted investments	20	700	20	5,850
Sub-total (b) (I) + (II)		720		5,870
Aggregate amount of market value of quoted investments	36		37	

Notes to the Financial Statement Consolidated (Contd.)

₹ in thousands

Name of the Partner in the firm / AOP	Total Capital	Share of Profit	Share of Loss
Prime Developers :			
1 Prime Urban Development India Limited	100	50.00%	66.66%
2 Pudumjee Industries Limited	100	12.50%	16.67%
3 Suma Commercial India Private Limited	--	12.50%	16.67%
4 Aristo Realty Developers Limited	--	25.00%	--
	200	100.00%	100.00%
Prime Mall Developers :			
1 Prime Urban Development India Limited	100	50.00%	66.66%
2 Pudumjee Industries Limited	100	25.00%	33.34%
3 Aristo Realty Developers Limited	--	25.00%	--
	200	100.00%	100.00%
Prime Newline - AOP :			
1 Prime Urban Development India Limited	20,220	75.00%	75.00%
2 Newline Buildtech Private Limited	6,740	25.00%	25.00%
	26,960	100.00%	100.00%

₹ in thousands

Particulars	As at 31st March, 2012	As at 31st March, 2011
5(c) Long-term Loans and Advances		
(i) Security Deposits	**1,705**	1,708
(ii) Loans and advances to related parties	**20,173**	600
(ii) Other loans and advances		
Advance income tax (Net of provisions)	**9,228**	10,177
Sub-total (c)	**31,106**	12,485
5(d) Other non-current assets		
(i) Long Term Trade Receivables	**77**	77
(ii) Others	--	40,857
Sub-total (d)	**77**	40,934

₹ in thousands

	As at 31st March, 2012	As at 31st March, 2011
Note 6		
(a) Current Investments (At cost)		
Trade, Quoted		
(i) Investment in Mutual Funds / Bonds	**2,175**	26,265
(8% Indian Railway Finance Corp. Tax free Bond :2175 Units at Rs.1000 each Previous year Birla Sunlife : 2,07,083 units of face value of Rs.10/unit and Birla Ultra short term fund : 24,01,524 units of face value of Rs.10 each)		
Sub-total (a)	**2,175**	26,265
Aggregate amount of quoted investments and market value thereof	**2,159**	26,265

Notes to the Financial Statement Consolidated (Contd.)

₹ in thousands

	As at 31st March, 2012	As at 31st March, 2011
(b) Inventories		
(i) Finished goods - At cost or Net realisable value whichever is lower	6,507	12,036
(ii) Stock-in-trade		
a) Land - Valued at lower of cost and Net realisable value	1,20,991	2,15,939
b) Project work in progress	44,045	--
Sub-total (b)	1,71,543	2,27,975
(c) Trade Receivables (current)		
(Unsecured and considered good unless otherwise stated)		
Doubtful and outstanding for more than six months	1,381	3,555
Less : Provision for doubtful debs	(1,381)	(3,555)
Outstanding more than six months	499	444
Outstanding less than six months	832	535
Sub-total (c)	1,331	979
(d) Cash and cash equivalents		
(i) Cash on hand	621	681
(ii) Balances with bank		
In current account	11,329	12,662
In Deposits under lien	1,769	1,670
(iii) Unpaid Dividend accounts	425	534
Sub-total (d)	14,144	15,547
(e) Short-term loans and advances		
(i) Balance in Partners' Current account	39,719	52,482
(ii) Loans and advances to		
- Associates	56	--
- Others	4,438	4,110
Sub-total (e)	44,213	56,592
(f) Other current assets		
(i) Claim receivable	46,800	46,800
(ii) Interest and other receivables	244	248
(iii) Un amortized	129	--
Sub-total (f)	45,173	47,048

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Note 7		
Revenue from operations :		
Textile Segment		
Cotton Yarn	88,764	1,21,298
Knitted Garments & Fabrics	3,024	92,034
Export Incentives	4,294	2,050
Realty Segment		
Profit on Sale of Land	7,897	19,895
Sale of Land - converted in to stock in trade	1,62,361	--
Share of Profit from a firm	216	595
Incidental income	42	1,164
Gain on conversion of Land into stock in trade held for development	--	2,15,939
Total	2,66,598	4,52,975

Notes to the Financial Statement Consolidated (Contd.)

₹ in thousands

	Year ended 31.3-2012	Year ended 31.3-2011
Note 8		
Other Income		
Interest	328	290
Commission receipts	962	561
Profit on sale of assets	--	199
Dividend on current investment	1,516	782
Insurance claim	-	1,074
Liabilities no longer payable written back	1,422	--
Miscellaneous Income	283	309
Total	4,511	3,215
Note 9		
Cost of Land		
Cost of Land - converted into Stock - in - trade	94,947	--
	94,947	--
Note 10		
Purchase of Stock-in-Trade		
Purchase of Traded goods	86,160	1,79,556
	86,160	1,79,556
Note 11		
Changes in Stock of Finished Goods and Stock - in- trade		
Stock at Commencement:		
Finished Goods	12,036	30,255
Stock in Trade	--	144
(A)	12,036	30,399
Less :		
Stock at Closing:		
Finished Goods	6,507	12,036
(B)	6,507	12,036
Net Value (A) -(B)	5,529	18,363
Note 12		
Employee Benefits		
Salaries, Wages, Bonus and others	19,189	12,238
Contribution to Provident and other Funds	442	4,909
Welfare Expenses	671	664
Total	20,302	17,811
Note 13		
Finance cost		
Interest on Borrowing	18,125	29,380
Other finance cost	552	835
Total	18,677	30,215

Notes to the Financial Statement Consolidated (Contd.)

₹ in thousands

	Year ended 31.3-2012	Year ended 31.3-2011
Note 14		
Other Expenses		
Insurance	377	946
Rates and taxes	869	585
Sitting Fees	180	390
Power and Fuel Consumed	527	957
Rent	2,879	4,690
Repairs - Building	2,495	--
Repairs - Others	984	473
Communication Expenses	1,269	1,082
Travelling and Conveyance	7,156	7,509
Sales Commission	2,751	2,852
Freight and Forwarding	1,973	3,480
Selling expenses	117	--
Donation	107	32
Legal and Professional fees	1,635	2,839
Auditors Remuneration	471	214
Loss on Sale of Assets	202	--
Bad and Doubtful Debts written off	122	--
Bank Charges	826	249
Processing charges	--	42
Miscellaneous expenses	9,057	4,358
	33,997	30,698
Note 15		
Exceptional Expenses		
Loss on disposal of Long Term Investments	44,500	--
Loss on sale of assets	--	10,847
Write off of non recoverable receivables and advances (net of write backs Rs.Nil; Pr.Year Rs. 430 thousands)	--	77,655
	44,500	88,502

Notes to the Financial Statement Consolidated (Contd.)

Note 16
Additional information to the financial statements (Consolidated Financial Statement)

1. Contingent liabilities and commitments (to the extent not provided for) :

₹ in thousands

	Particulars	As at 31st March, 2012	As at 31st March, 2011
(i)	Disputed Tax Demands (Including Interest up to the date of demand)		
	(a) Sales Tax	1,007	1,007
	(b) Income Tax	183,216	7,312
(ii)	Other money for which the company is contingently liable; Export Documentary bills discounted with Bank (Since Realized- Rs.7,425 thousand Previous year - Rs.24,560 Thousands)	15,443	30,050

2. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in thousands

	Particulars	2011 - 2012	2010 - 2011
(i)	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(ii)	Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iii)	The amount of interest due and payable for the year	NIL	NIL
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(v)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	NIL	NIL

3. Expenditure in foreign currency :

₹ in thousands

	Particulars	2011 - 2012	2010-11
a	Sales Commission	1,521	2,813
b	Travelling expenses	569	521

4. Earnings in foreign exchange :

₹ in thousands

Particulars	2011 - 2012	2010-11
Export of goods calculated on FOB basis	85,383	1,07,403

5. Details of consumption of imported and indigenous items :

₹ in thousands

	Particulars	2011 - 2012		2010-11	
	Traded goods :		%		%
	Indigenous	Nil		Nil	
	Imported	86,160	100%	179,556	100%

Notes to the Financial Statement Consolidated (Contd.)

6. In the opinion of the Board, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not less than the amount at which it is stated.

7. Auditors Remuneration :

₹ in thousands

Particulars	2011 - 2012	2010-11
Audit fees	339	165
Tax Audit fees	17	17
Other fees	115	32
Total	471	214

8. Employee Benefit Plans :
Defined contribution plans :
The company contributed to Super annuation and Provident Fund to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll cost to fund benefits.

₹ in thousands

	Particulars	2011 - 2012	2010-11
a	Provident Fund Contribution	1,341	931
b	Superannuation	1,225	606

9. Segment Information :

₹ in thousands

	Particulars	As at 31st March, 2012	As at 31st March, 2011
	Segment Revenue :		
a.	Realty	1,70,516	2,37,585
b.	Textiles	96,082	2,15,390
	Segment Results :		
a.	Realty	64,628	2,30,025
b.	Textiles	(33435)	(16,194)
	Total	31,191	2,13,831
	Less : Finance cost	18,676	30,215
	Less : Exceptional items	44,500	88,502
	Less : Un-allocable expenditure	3,072	6,323
	Profit/(Loss) before expenditure	(35,057)	88,791
	Less : Extraordinary items	--	--
	Profit/(Loss) before tax	(35,057)	88,791
	Capital Employed		
a.	Realty	16,74,642	15,64,757
b.	Textiles	54,325	1,46,727

10 Disclosure in respect of related parties pursuant to Accounting Standard -18 (AS 18):-
List of Related Parties and nature of relationships:

(i)	Associates	Aadarsh Jann Aawaash Limited Prime Developers Prime Mall Developers

Notes to the Financial Statement Consolidated (Contd.)

(ii)	Key Managerial Personnel	Mr. Pursuhottam Patodia Chairman & Managing Director Mr. Manojjkumar Patodia Vice Chairman & Managing Director Mr. Anujj K.Patodia Managing Director
(iii)	Enterprises having Common Key Management Personnel	Pat Credit Limited Anjana Syntex Co. Limited
(iv)	Relatives of Key Managerial Personnel	Mrs.Indiradevi Patodia wife of Mr. Purushottam Patodia Mrs.Nandita Patodia wife of Mr. Manojjkumar Patodia Mrs.Meenal Patodia wife of Mr.Anujj K Patodia

Transactions with related parties in the ordinary course of business :

₹ in thousands

Sl. No.	Nature of Transaction	Associates	Key Managerial Personnel	Enterprises /Relatives of Key Managerial Personnel	Total
1	Rent received	-- (3)	-- --	-- --	-- (3)
2	Share of Profit/(Loss) from firms	(4,070) (595)	-- --	-- --	(4,070) (595)
3	Expenses reimbursed from	2,959 (2,322)	-- --	-- --	2,959 (2,322)
4	Interest paid	-- --	129 (669)	374 (634)	503 (1,303)
5	Directors' Remuneration / sitting fees	-- --	13,058 (6,159)	185 (185)	13,244 (6,344)
6	Balance as on 31.3.2012 a) **Amount Payable:** Prime Mall Developers b) **Amount Receivable:** Aadarsh Jann Aawaash Ltd Prime Developers Prime Newline AOP	 1,27,011 56 44,106 12,719			 1,27,011 56 44,106 12,719

11 Details of Lease arrangements :

The Company has entered into finance lease arrangements (Hire-Purchase Loan) for vehicles and Future minimum lease payments and minimum lease payments are as follows :

Due	Total Minimum Lease Payments Outstanding	Future Interest on Outstanding	Present value of Minimum Lease Payments
1. Within one year	**1,109** (1,651)	**191** (216)	**1,300** (1,867)
2. Between one year to five years	**1,171** (857)	**250** (37)	**1,421** (894)
Total	**2,280** (2,508)	**441** (253)	**2,721** (2,761)

Figures in bracket are of previous year's

Notes to the Financial Statement Consolidated (Contd.)

12. Earnings Per Share :

₹ in thousands

	Particulars	2011 - 2012	2010-11
a.	Profit/(Loss) after tax excluding exceptional items	**9,443**	1,77,293
b.	Less : Exceptional items	**44,500**	88,502
c.	Profit/(Loss) after tax including exceptional items	**(35,057)**	88,791
d.	Number of Equity shares outstanding	**2,27,43,600**	2,27,43,600
e.	Basic/Diluted Earnings Per Share (EPS) :		
	- EPS excluding exceptional items (a/d)	**0.42**	7.80
	- EPS including exceptional items (c/d)	**(1.54)**	3.90
f.	Face value per share - in Rs.	**2 per share**	2 per share

13. Consolidated Financial Statements :
As per Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 23 on " Accounting for Investments in Associates in Consolidated Financial Statements" notified under the "The Companies Accounting Standards Rules, 2006" the company has presented Consolidated Financial Statements separately, in this annual report.

14. Deferred Tax Asset/(Liability):
Timing difference comprises of :

₹ in thousands

Particulars	2011 - 2012	2010-11
Deferred Tax Asset		
1. Expenses covered by 43B	**67**	1,098
2. Carry forward Unabsorbed Depreciation	**74,474**	66,256
Total	**74,541**	67,354
Deferred Tax Liability		
1. Depreciation	**4,598**	4,426
2. Others	**(101)**	(2,233)
Total	**4,497**	2,193
Net Deferred Tax Asset/(Liability)	**70,044**	65,161

As a matter of the commercial prudence, net deferred tax asset has not been recognised.

15. Previous year's figures are re-grouped/re-arranged, wherever necessary, inter-alia, to conform to the Revised Schedule VI classification.

Notes to the Financial Statement Consolidated (Contd.)

Note 17
Significant Accounting Policies

General:

Accounts are prepared on historical cost (except for certain fixed assets which have been re-valued) 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.

Principles of Consolidation: The consolidated financial statements relate to Prime Urban Development India Limited (Formerly Prime Textiles Limited) ("the company") and its wholly-owned subsidiary companies, all incorporated in India, viz., ATL Textile Processors Limited, Manoj Yarn Processors Limited and Pee Dee Yarn Processors Limited have been considered in the consolidation. A firm, Prime Newline AOP, in which Prime Urban Development India Ltd having significant influence in the management, has been considered in the consolidation. 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, its subsidiaries and the firm in which the parent company has substantial interest, have been drawn up to 31st March 2012 the reporting date.

1. **Contingent Liabilities:**
   Contingent Liabilities are disclosed to the Notes to the Financial Statements 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 under Significant Accounting Policies for financial statements of the Company and its subsidiary companies.

For and on behalf of the Board

As per our report of even date annexed
For **M.S.Jagannathan & Visvanathan**
Chartered Accountants
FRN 001209S

Manojjkumar Patodia
Vice Chairman & Managing Director

Purushottam Patodia
Chairman & Managing Director

M.J.Vijayaraaghavan
Partner : M.No.7534

Anujj K. Patodia
Managing Director

Banwarilal Singhai
Director

Place : Mumbai
Date : 26.05.2012

PRIME URBAN DEVELOPMENT INDIA 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 75th Annual General Meeting of the company to be held on Saturday, the 11th August, 2012 at 4.00 p.m at the Registered office Company and at any adjournment thereof.

Signed this.....day of.....2012.

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

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PRIME URBAN DEVELOPMENT INDIA 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 75th Annual General Meeting at No.110 Avinashi Road, Tirupur 641603 on Saturday, the 11th August 2012 at 4.00 p.m. at the Registered office of the Company.

.....

Members \Proxy's signature

Important Communication to members

1. All members (both Physical and Demat) are requested to lodge their e-mail ID's along with Name and Folio / Client ID Number at the following address / e-mail to enable us to send all future communications including Annual Reports through electronic mode.

Company Address
Prime Urban Development India Limited
(Formerly Prime Textiles Limited)
Registered Office :
110, Avinashi Road,
Gandhi Nagar Post,
Tirupur - 641 603
Ph : 0421-2470065
E-mail : rengasamy@ptlonline.com
uday@ptlonline.com

Registrar and Transfer Agent
M/s. S.K.D.C. Consultants Limited
Kanapathy Towers 3rd Floor
139/1A-1 Sathy Road
Ganapathy
Coimbatore 641 006,
Tamilnadu
Phones:(0422)2539835, Fax:(0422) 2539837
Email address:skdccbe@gmail.com

2. SEBI has made it mandatory [illegible] the securities / capital market to furnish the details of Income Tax Permanent Account Numb[illegible] [illegible]olders holding shares in physical form are requested to submit their details of P[illegible] [illegible] duly attested to the Registrar and Transfer Agent of the Compan[illegible]

If undelivered please return to :

PRIME URBAN®
DEVELOPMENT INDIA LTD.

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