

**83<sup>rd</sup>**  
***Annual Report***  
**2019-2020**



**PRIME URBAN<sup>®</sup>**  
**DEVELOPMENT INDIA LTD.**

we make your dreams come true

# **PRIME URBAN DEVELOPMENT INDIA LIMITED**

## **CONTENTS**

## **Page Nos.**

|  |    |
|--|----|
| Corporate Information  | 1  |
| Notice of Annual General Meeting                                     | 2  |
| Directors' Report  | 9  |
| Management Discussion and Analysis                                   | 25 |
| CEO/CFO Certificate  | 27 |
| Auditors' Report on Standalone Financial Statements                  | 28 |
| Standalone Balance Sheet   | 33 |
| Standalone Statement of Profit and Loss                              | 34 |
| Standalone Statement of Cash Flows                                   | 35 |
| Significant Accounting Policies on Standalone Financial Statements   | 36 |
| Notes to Standalone Financial Statements                             | 40 |
| Auditors' Report on Consolidated Financial Statements                | 51 |
| Consolidated Balance Sheet   | 61 |
| Consolidated Statement of Profit and Loss                            | 62 |
| Consolidated Statement of Cash Flows                                 | 63 |
| Significant Accounting Policies on Consolidated Financial Statements | 64 |
| Notes to Consolidated Financial Statements                           | 66 |



## **83<sup>rd</sup> ANNUAL REPORT 2019-20**

### **CORPORATE INFORMATION**

#### **BOARD OF DIRECTORS**

##### **CHAIRMAN AND MANAGING DIRECTOR**

Mr. Purusottamdas Patodia

##### **VICE CHAIRMAN AND MANAGING DIRECTOR**

Mr. Manoj Kumar Patodia

##### **MANAGING DIRECTOR**

Mr. Anuj Patodia

#### **INDEPENDENT DIRECTORS**

Mr. N.K. Bafna

Mr. Banwarilal Singhal

Mrs. Ryna Zaiwalla Karani

#### **CHIEF FINANCIAL OFFICER**

Mr. S. Udayananda

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Darshi Shah

#### **STATUTORY AUDITORS**

M/s. L. U. Krishnan & Co.

Chartered Accountants, Chennai

#### **INTERNAL AUDITORS**

M/s. K. Sundaramurthy & Co.

Chartered Accountants, Coimbatore

#### **LEGAL ADVISORS**

M/s. Ramani & Shankar

Advocates, Coimbatore

#### **BANKERS**

Central Bank of India

#### **REGISTERED OFFICE**

Door No. 83, 3rd Floor, Plot No.4,  
Avinashi Main Road, Near Petrol Bunk,  
Asher Nagar, Tirupur 641 603

Tel No.: +91 421 4242062

#### **CORPORATE OFFICE**

106, Mittal Chambers, 10th Floor,  
Nariman Point, Mumbai- 400021,

Tel No.: +91 22 6164 5000

Fax No.: +91 22 6164 5070

Email ID: [companysecretary@ptlonline.com](mailto:companysecretary@ptlonline.com)

#### **REGISTRAR & SHARE TRANSFER AGENTS**

S.K.D.C. Consultants Limited  
Kanapathy Towers, 3rd Floor, 1391/A-1,  
Sathy Road, Ganapathy Post,  
Coimbatore – 641 006, Tamil Nadu, India.

Tel No. : +91 422 4958995

Fax No. : +91 422 2539837

#### **WEBSITE**

[www.ptlonline.com](http://www.ptlonline.com)

#### **CORPORATE IDENTIFICATION NUMBER**

L70200TZ1936PLC000001

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**



### **PRIME URBAN DEVELOPMENT INDIA LIMITED**

Corporate Identity Number (CIN): L70200TZ1936PLC000001

Registered Office: Door No. 83, 3rd Floor, Plot No.4, Avinashi Main Road,  
Near Petrol Bunk, Asher Nagar, Tirupur-641 603, Tamil Nadu, India

Website: [www.ptlonline.com](http://www.ptlonline.com), Email: [companysecretary@ptlonline.com](mailto:companysecretary@ptlonline.com)

Tel: +91 421- 4242062

#### **NOTICE**

NOTICE is hereby given that the 83rd Annual General Meeting ("AGM") of the Members of **PRIME URBAN DEVELOPMENT INDIA LIMITED** will be held on **Wednesday, September 30, 2020 at 2.00 p.m.** through Video conferencing/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Purusottamdas Patodia (DIN: 00032088), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors  
For **Prime Urban Development India Limited**

**Darshi Shah**  
Company Secretary and Compliance Officer  
Membership No.:A30508

**Place: Mumbai**

**Date: September 3, 2020**

#### **Registered Office:**

Door No. 83, 3rd Floor, Plot No.4,  
Avinashi Main Road, Near Petrol Bunk,  
Asher Nagar, Tirupur 641 603



## NOTICE

1. In view of COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 respectively, permitted the holding of the "AGM" through Video Conferencing (VC) / other Audio – Visual means (OAVM), without the physical presence of Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and MCA circulars, the AGM of the Company is being held through VC/OAVM Facility.
2. In terms of the MCA Circulars since this General Meeting is held through VC/OAVM the physical attendance of Members is dispensed with and no proxies would be accepted by the Company.
3. Corporate Members are required to send a duly certified true copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative(s) to attend through VC/OAVM Facility and e-Voting on their behalf at the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive).
5. Members attending the AGM through VC/ OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Relevant Documents in respect of items referred to in the accompanying Notice are available on website of the Company for inspection by the Members.
7. A brief resume of the Director proposed to be re-appointed at this AGM, nature of his expertise in specific functional areas, names of companies in which he holds directorship and membership/ chairmanships of Board Committees, shareholding and relationship between directors inter se as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other requisite information as per Clause 1.2.5 of Secretarial Standard-2 on General Meetings, are provided in Annexure 1.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Facility of joining the AGM through VC/OAVM shall be available for 1,000 Members on a 'first come first served' basis. The large Shareholders (i.e. shareholders holding 2% or more), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. can attend the AGM without any restriction on account of 'first come first served' basis.
9. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

**S.K.D.C. Consultants Limited**

Kanapathy Towers, 3rd Floor,  
1391/A-1, Sathy Road, Ganapathy Post,  
Coimbatore-641 006, Tamil Nadu  
Tel No. +91 422 4958995/2539835-836  
Fax No. +91 422 2539837  
Email: info@skdc-consultants.com

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

10. The Securities and Exchange Board of India ("SEBI") has mandated submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN details to the Company or its Registrar and Share Transfer Agents.
11. The Company has designated Email ID - [companysecretary@ptonline.com](mailto:companysecretary@ptonline.com) for redressal of Members complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.
12. Members who wish to obtain any information on the Company or view the financial statements for the financial year ended March 31, 2020 may visit the Company's website at [www.ptonline.com](http://www.ptonline.com) or send their queries at [companysecretary@ptonline.com](mailto:companysecretary@ptonline.com) at least Ten (10) days before the date of AGM. The same will be replied by/ on behalf of the Company suitably.
13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
14. Any person, who becomes a Member of the Company after dispatch of this Notice and holds shares as on the cut-off date i.e. Wednesday, 23 September, 2020 may obtain the User ID and password for Remote E-voting by sending a request at [companysecretary@ptonline.com](mailto:companysecretary@ptonline.com). However, if a Member is already registered with CDSL for remote e-voting, then he/she can use his/her existing User Id and Password for casting the vote. Only a Member who is entitled to vote shall exercise his/her/its vote through e-voting and any recipient of this Notice who has no voting rights as on the cut-off date should treat the same as intimation only.
15. Members joining the meeting through VC who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
16. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
17. The Board of Directors has appointed Mr. S. Ramanathan, Practicing Chartered Accountant (Membership No. FCA 019532) as the Scrutinizer to scrutinize the remote e-voting and the voting process at the AGM in a fair and transparent manner.
18. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same
19. The results declared along with the Scrutinizer's Report shall be displayed at the Registered Office of the Company and placed on the Company's website [www.ptonline.com](http://www.ptonline.com) and on website of CDSL e-Voting [www.evotingindia.com](http://www.evotingindia.com) within two days of the passing of the Resolutions at the AGM of the Company and will also be communicated to Bombay Stock Exchange Limited, where the shares of the Company are listed.
20. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.



21. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection at the AGM.
22. Members desirous of obtaining any information as regards Accounts are requested to write to the Company at least one week before the AGM so that the information required will be made available at the AGM.
23. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

#### INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on, Sunday, September 27, 2020 at 9.00 a.m. and ends on, Tuesday, September 29, 2020 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of, September 4, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders/Members.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

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

| <b>For Members holding shares in Demat Form and Physical Form</b> |  |
|---|--|
| PAN   | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).<br>Members who have not updated their PAN with the Company/Depository Participant are re requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details <b>OR</b> Date of Birth (DOB)               | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.<br>If both the details are not recorded with the depository or the Company please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (v).   |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Prime Urban Development India Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before September 23, 2020 mentioning their name, demat account number/folio number, email id, mobile number at [companysecretary@ptonline.com](mailto:companysecretary@ptonline.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.





**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [companysecretary@ptonline.com](mailto:companysecretary@ptonline.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**By Order of the Board of Directors  
For Prime Urban Development India Limited**

**Darshi Shah  
Company Secretary and Compliance Officer  
Membership No.: A30508**

**Place: Mumbai**  
**Date: September 3, 2020**  
**Registered Office:**  
Door No. 83, 3rd Floor, Plot No.4,  
Avinashi Main Road, Near Petrol Bunk,  
Asher Nagar, Tirupur 641 603

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### "Annexure I"

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 12.5 of Secretarial Standard-2 on General Meetings in respect of individuals proposed to be appointed / re-appointed as Directors:

| Name of the Director  | Purusottamdas Patodia  |
|---|--|
| Director Identification Number  | 00032088   |
| Date of Birth   | 01/02/1938   |
| Date of first appointment on the Board  | 14/05/1988   |
| Qualifications  | B. Com   |
| Experience and Expertise in Specific Functional Area  | Mr. Purusottamdas Patodia is a mentor of the Prime group with vast experience over decades in textiles management and export and Realty business |
| Directorship held in other companies (As on March 31, 2020)   | <b>Directorship:</b><br><b>Public Companies:</b><br>1. Anjana Syntex Company Limited<br>2. Pat Credit Limited                                    |
| Chairmanships/Memberships of the Committees of the Board of Directors of other companies (As on March 31, 2020) | None   |
| Shareholding in the Company (As on March 31, 2020)  | 20,58,020 equity shares  |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company                    | Father of Mr. Anuj Patodia and Mr. Manoj Kumar Patodia   |

**Registered Office:**

Door No. 83, 3rd Floor, Plot No.4,  
Avinashi Main Road, Near Petrol Bunk,  
Asher Nagar, Tirupur 641 603

**Place: Mumbai**

**Date: September 3, 2020**

**By Order of the Board of Directors  
For Prime Urban Development India Limited**

**Darshi Shah  
Company Secretary and Compliance Officer  
Membership No.:A30508**



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 83rd Annual Report on the business and operations of Prime Urban Development India Limited ["Company"] together with the Audited Financial Statements of the Company, for the Year ended March 31, 2020.

### 1. FINANCIAL HIGHLIGHTS

The summarized financial performance (Standalone and Consolidated) of your Company for 2019-20 and 2018-19 is given below:

Rs. in Lakhs

| Particulars  | Standalone        |                   | Consolidated      |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2019-20           | 2018-19           | 2019-20           | 2018-19           |
| Revenue from operations  | 5,342.02          | 15,185.26         | 5,236.81          | 15,190.06         |
| Other Income   | 107.83            | 173.20            | 109.34            | 164.30            |
| Total Income   | 5,449.85          | 15,358.46         | 5,346.15          | 15,354.36         |
| Earnings before interest, tax, depreciation, exceptional items and amortization (EBITDA) | (499.82)          | 96.58             | (285.44)          | 118.91            |
| Less : Finance Costs   | 224.96            | 313.50            | 324.46            | 354.84            |
| Less: Depreciation and amortization expense  | 37.49             | 35.12             | 40.62             | 38.83             |
| Profit/(Loss) before Exceptional Items and Tax   | (762.27)          | (252.04)          | (650.52)          | (274.76)          |
| Exceptional Items  | --                | --                | --                | --                |
| Profit/(Loss) before Tax   | (762.27)          | (252.04)          | (650.52)          | (274.76)          |
| Less: Tax Expense  | 2.77              | (26.42)           | 2.29              | (28.08)           |
| Profit/(Loss) After Tax  | (759.50)          | (278.46)          | (648.23)          | (302.84)          |
| Other comprehensive Income/(expenses)  | 27.52             | 10.61             | 27.52             | 10.61             |
| Total Comprehensive Income/(Loss) for the year   | (731.98)          | (267.85)          | (620.71)          | (292.23)          |
| Surplus from previous year brought forward   | (1,154.61)        | (886.76)          | (1,671.21)        | (1,375.44)        |
| Less: Dividend and Dividend tax paid during the year                                     | --                | --                | --                | --                |
| Un-realised gain in contra-group transfers   | --                | --                | (14.59)           | (3.54)            |
| Transfer to General Reserve  | --                | --                | --                | --                |
| <b>Amount available for appropriation</b>  | <b>(1,886.59)</b> | <b>(1,154.61)</b> | <b>(2,306.51)</b> | <b>(1,671.21)</b> |

### Realty Segment

During the Financial year 2019-20, your Company has clocked consolidated revenues of Rs. 222.89 Lakhs in the Realty segment. During the year under review, an LLP is formed, viz., Prathan City Developers LLP, in which the Company is a Member, for development of Land Project at Kotagiri, Nilgiri District, Tamil Nadu.

### Textile Segment

Your Company is engaged in the export of cotton yarn under Merchant Trading. The consolidated revenues from this segment in the year 2019-20 were Rs. 5,013.91 Lakhs.

### 2. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 (**hereinafter referred to as the "Act"**) read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**hereinafter referred to as the "SEBI Listing Regulations"**), the audited consolidated financial statements are provided in this Annual Report.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **3. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

As at March 31, 2020, your Company had following 6 (Six) Subsidiary Companies:

1. ATL Textile Processors Limited
2. Manoj Yarn Processors Limited
3. New Line Buildtech Private Limited
4. Pee Dee Yarn Processors Limited
5. Patodia Developers Private Limited
6. Srivarsha Realtors Private Limited

Your company has acquired a company in the United States of America in the name Prime Urban North America INC. as its wholly owned subsidiary w.e.f. July 22, 2020 with initial investment of USD 9,900 for carrying out project management and consultancy services.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014 a statement containing salient features of the financial statements of Subsidiaries, Associate Companies and Joint Ventures in Form AOC-1 is attached to this Report as “**Annexure I**”. The Audited Financial Statements of each of the Subsidiary Companies have been placed on the website of the Company- [www.ptlonline.com](http://www.ptlonline.com) under the Investors Section.

### **4. MATERIAL SUBSIDIARY**

New Line Buildtech Private Limited is Material Subsidiary of the Company as per the thresholds laid down under the SEBI LODR. The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with SEBI LODR as amended from time to time. The Policy was revised effective from April 1, 2019 in line with the amendments made to the SEBI LODR. The Policy has been uploaded on the Company's website at <http://www.ptlonline.com/new-investors/policies/Policy-on-Material-Subsidiaries.pdf>.

### **5. DIVIDEND**

The Board of Directors of your Company has not recommended any Dividend for the year under review due to losses.

### **6. SHARE CAPITAL**

The paid up Equity Share Capital of the Company as at March 31, 2020 stood at Rs. 532.87 Lakhs. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants, As on March 31, 2020, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

### **7. TRANSFER TO RESERVES**

In view of losses incurred during the financial year 2019-20, the Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

### **8. PUBLIC DEPOSITS**

Your Company has not accepted any deposits from the public, within the meaning of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 and hence there are no unpaid/unclaimed deposits nor there is any default in repayment thereof.



## 9. BOARD MEETINGS

### Composition and Attendance:

As on March 31, 2020, the composition and attendance of the Board of Directors have been as under:

| Name of the Director      | Category                            | No. of Board Meetings held | No. of Board Meetings attended by the Director |
|---------------------------|-------------------------------------|----------------------------|--|
| Mr. Purusottamdas Patodia | Executive Chairman/Promoter         | 4                          | 3  |
| Mr. Manoj Kumar Patodia   | Executive Vice-Chairman/Promoter    | 4                          | 4  |
| Mr. Anuj Patodia          | Managing Director/ Promoter         | 4                          | 2  |
| Mr. N. K. Bafna           | Non-Executive Director/ Independent | 4                          | 4  |
| Mr. Banwarilal Singhal    | Non-Executive Director/ Independent | 4                          | 3  |
| Mrs. Ryna Zaiwalla Karani | Non-Executive Director/Independent  | 4                          | 3  |

The Board of Directors of your Company met 4 (Four) times during the financial year 2019-20 on May 22, 2019, August 5, 2019, November 5, 2019 and February 10, 2020. The time gap between two consecutive Meetings did not exceed one hundred and twenty days.

## 10. COMMITTEES OF THE BOARD

The Board of Directors have the following Committees:

### I. AUDIT COMMITTEE

#### Composition and Attendance:

As on March 31, 2020, the composition and attendance of the Audit Committee has been as under:

| Name of the Members     | Chairman/Member | Category                           | No. of Meeting(s) held | No. Of Meeting Attended |
|-------------------------|-----------------|------------------------------------|------------------------|-------------------------|
| Mr. Banwarilal Singhal  | Chairman        | Non-Executive Director/Independent | 4                      | 3                       |
| Mr. N. K. Bafna         | Member          | Non-Executive Director/Independent | 4                      | 4                       |
| Mr. Manoj Kumar Patodia | Member          | Executive Vice-Chairman/Promoter   | 4                      | 4                       |

During the financial year 2019-20, 4 (four) meetings of Audit Committee were held on May 22, 2019, August 5, 2019, November 5, 2019 and February 10, 2020.

### II. NOMINATION AND REMUNERATION COMMITTEE

#### Composition and Attendance:

As on March 31, 2020, the composition of Nomination and Remuneration Committee has been as under:

| Name of the Members    | Chairman/Member | Category                           | No. of Meeting(s) Held | No. of Meeting(s) Attended |
|------------------------|-----------------|------------------------------------|------------------------|----------------------------|
| Mr. Banwarilal Singhal | Chairman        | Non-Executive Director/Independent | 1                      | 1                          |
| Mr. N. K. Bafna        | Member          | Non-Executive Director/Independent | 1                      | 1                          |
| Mrs. Ryna Karan        | Member          | Non-Executive Director/Independent | 1                      | 1                          |

During the financial year 2019-20, 1 (one) meeting of Nomination and Remuneration Committee was held on November 5, 2019.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **III. STAKEHOLDERS RELATIONSHIP COMMITTEE**

#### **Composition and Attendance at Meeting**

As on March 31, 2020, the composition and attendance of Stakeholders' Relationship Committee has been as under:

| <b>Name of the Members</b> | <b>Designation</b> | <b>Category</b>                    | <b>No. of Meeting(s) Held</b> | <b>No. of Meeting(s) Attended</b> |
|----------------------------|--------------------|------------------------------------|-------------------------------|-----------------------------------|
| Mr. N. K. Bafna            | Chairman           | Non-Executive Director/Independent | 4                             | 4                                 |
| Mr. Banwarilal Singhal     | Member             | Non-Executive Director/Independent | 4                             | 3                                 |
| Mr. Purusottamdas Patodia  | Member             | Executive Chairman/Promoter        | 4                             | 2                                 |
| Mr. Manoj Kumar Patodia    | Member             | Executive Vice-Chairman/Promoter   | 4                             | 4                                 |

During the financial year 2019-20, 4 (four) meetings of Stakeholders' Relationship Committee were held on May 22, 2019, August 5, 2019, November 5, 2019 and February 10, 2020.

### **IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

#### **Composition and Attendance:**

As on March 31, 2020, the composition of Corporate Social Responsibility Committee has been as under:

- a) Mr. Banwarilal Singhal - Chairman
- b) Mr. Purusottamdas Patodia - Member
- c) Mr. Manoj Kumar Patodia - Member
- d) Mr. Anuj Patodia - Member

During the financial year 2019-20, no meeting of Corporate Social Responsibility Committee was held.

### **V. FINANCE COMMITTEE**

#### **Composition and Attendance at Meeting**

As on March 31, 2020, the composition of Finance Committee has been as under:

- a) Mr. Purusottamdas Patodia - Chairman
- b) Mr. Manoj Kumar Patodia - Member
- c) Mr. Anuj Patodia - Member

During the financial year 2019-20, 2 (two) meetings of Finance Committee was held on October 13, 2019 and January 30, 2020.

### **11. IMPACT OF COVID-19 PANDEMIC**

The outbreak of COVID – 19 pandemic and enforced lockdowns along with necessary restrictions on various activities had posed challenges to the businesses of the Company and its Subsidiaries.

The Company's operations came to a standstill for a period of more than 2 months. Due to the low volume of business from March end it has affected the collection and liquidity, revenue and profitability substantially and the Company faced a financial hit during the fourth quarter of 2019-20.

Covid-19 Pandemic started at the end of the financial year 2019-20 has shocked the entire world which has slowed down the business and has impacted the market in which real estate sector is not exempted. It will take some more time for recovery to bounce back which is difficult to predict at the given situation.



## **12. PARTICULARS OF LOANS GRANTED, GUARANTEE PROVIDED AND INVESTMENTS MADE PURSUANT TO THE PROVISIONS OF SECTION 186 OF THE COMPANIES ACT, 2013**

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Act, are provided in Note No. 4(a) and 4(g) under Notes to the financial statements of standalone financial statements.

## **13. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH AND DEVELOPMENT & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Considering the nature of activities in which the Company operates, energy consumption is in accordance to the normal business practices and does not require any specific installations. In its regular course of business, the Company is always vigilant to conserve the resources and continuously implements measures required to save energy.

The business activities of the Company are not specific to any technology requirements. Hence disclosures pertaining to conservation of energy and technology absorption are not applicable to your Company during the year under review.

The net Foreign Exchange earnings during the year under review is Rs. 4,743.82 lakhs.

## **14. RELATED PARTY TRANSACTIONS**

All contract/ arrangements/ transactions entered into/ by the Company during the financial year under review with related parties were on an arm's length basis and in accordance with the provisions of the Act read with the Rules issued thereunder. There were no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with interest of the Company at large.

There are no material related party transactions during the year under review. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

The Board of Directors of the Company has approved a Policy on materiality of related party transactions and dealing with related party transactions which is in line with the SEBI LODR as amended from time to time. The Policy has been uploaded on the Company's website at <http://www.ptionline.com/new-investors/policies/Policy-on-Transactions-with-Related-Parties.pdf>.

The details of the related party transactions as per IND AS-24 are set out in Note No. 21.07 to the Standalone Financial Statements forming part of this report.

## **15. CORPORATE GOVERNANCE REPORT**

Since the paid up capital of the company is less than Rs.10 Crores and the net worth of the Company is less than Rs.25 Crores, as on the last day of the preceding financial year i.e. March 31, 2019, the provisions of Regulations 17,18,19,20,21,22,23,24,25,26,27, and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, are not applicable to the Company for FY 2019-20, hence corporate governance report has not been enclosed to directors report.

## **16. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr Purusottamdas Patodia, Managing Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Purusottamdas Patodia has been given in the Notice convening the Annual General Meeting. None of the Directors are related inter-se to each other save and except Mr. Purusottamdas Patodia, Mr. Manoj Kumar Patodia, and Mr. Anuj Patodia. Mr. Purusottamdas Patodia is the father of Mr. Manoj Kumar Patodia, and Mr. Anuj Patodia.

The Company has received individual declaration from following Independent Director(s) of the Company stating that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR:

- a) Mr. N. K. Bafna
- b) Mr. Banwarilal Singhal
- c) Mrs. Ryna Zaiwalla Karani

The above mentioned Independent Directors have confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act. The Independent Directors have further confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that he/she is independent of the management.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

The Company has also received individual affirmation from all the Directors and Senior Management personnel of the Company stating that they have fully complied with provisions of the Code of Conduct for Board Members and Senior Management Personnel of the Company during the financial year ended March 31, 2020.

### **17. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of sub section (3)(c) and sub section (5) of Section 134 of the Act, with respect to Directors Responsibility Statement it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2020 and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the financial year ended March 31, 2020 on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### **18. AUDITORS AND AUDITOR'S REPORT**

M/s. L. U. Krishnan & Associates, Chartered Accountants, (Firm Registration No. 001527S) were appointed as Statutory Auditors of the Company for a period of five years commencing from the conclusion of 80th Annual General Meeting till the conclusion of 85th Annual General Meeting of the Company.

The Auditors Report for the financial year ended March 31, 2020 does not contain any qualification, reservation or adverse remark during the year under review. No instances of fraud have been reported by the Statutory Auditors of the Company under Section 143(12) of the Act.

### **19. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

In terms of provisions of Section 204 of the Act, the Secretarial Audit of the Company for the Financial Year 2019-20 was conducted by M/s. S. K. Jain & Co, Company Secretaries.

The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed to this Report as "Annexure II".

### **20. DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS**

The Company is not required to maintain the Cost Records as specified under Section 148(1) of the Companies Act, 2013.

### **21. RISK MANAGEMENT POLICY**

Pursuant to the requirement of Section 134(3)(n) of the Act, the Company has in place a structured risk management policy. Your Company believes that managing risks helps in maximising returns. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business.

### **22. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In compliance with the provisions of Section 177 of the Act and Regulation 22 of the SEBI LODR, the Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or policy/ies of the Company, as adopted/framed from time to time. The details of said vigil mechanism are given in Corporate Governance Report, which forms part of this Annual Report. The Whistle Blower Policy is available website of the Company at <http://www.ptionline.com/new-investors/policies/Whistle-blower-Policy.pdf>.





### **23. NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at <http://www.pt-online.com/newinvestors/policies/nominationandremunerationPolicy.pdf>.

### **24. CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility Committee (“**CSR Committee**”) in accordance with the provisions of Section 135 of the Act. The Board of Directors of the Company has, based on the recommendations made by the CSR Committee formulated and approved Corporate Social Responsibility Policy for the Company. The same is available on the website of the Company at <http://www.ptonline.com/new-investors/policies/Corporate-Social-Responsibility Policy.pdf>

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is made in prescribed form which is annexed to this Report as “**Annexure III**”.

### **25. PARTICULARS OF EMPLOYEES**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided under “**Annexure IV**”, which is annexed to this Report.

None of the employees of the Company were in receipt of monthly or yearly remuneration in excess of the limits specified under the Act and Rule 5(2) & Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A statement comprising the names of top 10 employees in terms of remuneration drawn is not being sent along with this annual report to the Members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before and up to the date of the ensuing Annual General Meeting during the business hours on working days.

### **26. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

Your Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of the Company's business. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

A regular audit and review processes ensure that the controls are reinforced on an ongoing basis. Such controls have been assessed during the year taking into consideration the essential components of internal financial controls. Based on the assessment carried out by the Company, the internal financial controls were adequate and effective and no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed, during the year ended March 31, 2020.

### **27. UNCLAIMED AND UNPAID DIVIDENDS**

As on March 31, 2020, amounts of Rs. 3,90,445/- and Rs. 3,94,991/- are lying in the unpaid equity dividend account of the Company in respect of the dividend for the Financial Year 2015-16 and 2016-17 respectively. Members who have not yet received/claimed their dividend entitlements are requested to contact the Company or the Registrar and Share Transfer Agents of the Company.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **28. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

### **29. BOARD EVALUATION**

Pursuant to the provisions of Sections 134(3)(p), 149(8), Schedule IV of the Act read with Regulation 17(10) of SEBI LODR and in accordance with the policy for Performance Evaluation of the Individual directors, Board and its Committees, which includes criteria for performance evaluation, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, effectiveness of Board / Committee processes, information provided to the Board, etc. On the basis of the said questionnaire, the Directors have carried out the annual performance evaluation of the Board, Independent Directors, Executive Directors, Committees and the Chairman of the Board. The Board expressed their satisfaction with the evaluation process.

### **30. DISCLOSURE PERTAINING TO THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has complied with the provision relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no cases were received/filed pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **31. EXTRACT OF ANNUAL RETURN**

In terms of provisions of Section 92(3) of the Act, an extract of the Annual Return in Form MGT-9 is hosted on the Company's website viz. [www.ptlonline.com](http://www.ptlonline.com).

### **32. OTHER DISCLOSURES**

- 1) The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- 2) There are no significant/material orders passed by the regulators/courts/tribunals / Statutory and quasi-judicial body during the year under review which would impact the going concern status of your Company and its future operations.

### **33. ACKNOWLEDGEMENTS**

Your Directors would like to thank and place on record their appreciation for the support and co-operation provided to your Company by its Shareholders, Regulatory Authorities and its Bankers.

Your Directors would also like to place on record their appreciation for the efforts put in by Employees of the Company during the year.

**For and on behalf of the Board**

**Place: Mumbai  
Date : September 3, 2020**

**Purusottamdas Patodia  
Chairman and Managing Director**



**Annexure I  
FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures  
PART "A" : Subsidiaries

₹ in Lakhs

| Sl. No |   | Name of the Subsidiaries       |                                 |                               |                                    |                                    |                                    |
|--------|---|--------------------------------|---------------------------------|-------------------------------|------------------------------------|------------------------------------|------------------------------------|
|        |   | ATL Textile Processors Limited | Pee Dee Yarn Processors Limited | Manoj Yarn Processors Limited | Patodia Developers Private Limited | Srivarsha Realtors Private Limited | New Line Buildtech Private Limited |
| 1      | Reporting Period for the subsidiary concerned, if different from the holding company's reporting period                 | 31.03.2020                     | 31.03.2020                      | 31.03.2020                    | 31.03.2020                         | 31.03.2020                         | 31.03.2020                         |
| 2      | Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries | NA                             | NA                              | NA                            | NA                                 | NA                                 | NA                                 |
| 3      | Share Capital   | 103.74                         | 5.09                            | 5.09                          | 1.00                               | 1.00                               | 580.29                             |
| 4      | Reserves and Surplus  | 418.52                         | (2.34)                          | (6.95)                        | (1.59)                             | 14.19                              | 3,120.01                           |
| 5      | Total Assets  | 522.32                         | 3.81                            | 8.42                          | 0.12                               | 46.00                              | 3,971.84                           |
| 6      | Total Liabilities   | 0.06                           | 1.06                            | 10.26                         | 0.71                               | 30.81                              | 271.54                             |
| 7      | Investments   | -                              | -                               | 4.00                          | -                                  | -                                  | -                                  |
| 8      | Turnover/Other Income   | 0.58                           | -                               | 0.11                          | -                                  | 165.44                             | 0.44                               |
| 9      | Profit/(Loss) before taxation   | 0.18                           | (0.21)                          | (0.09)                        | (0.22)                             | (2.60)                             | (25.18)                            |
| 10     | Provision for taxation  | (0.05)                         | -                               | -                             | -                                  | -                                  | -                                  |
| 11     | MAT Credit Entitlement  | (0.02)                         | -                               | -                             | -                                  | -                                  | -                                  |
| 12     | Deferred Tax Liability  | (1.25)                         | -                               | -                             | -                                  | 0.84                               | -                                  |
| 13     | Profit / (Loss) after taxation  | (1.14)                         | (0.21)                          | (0.09)                        | (0.22)                             | (1.76)                             | (25.18)                            |
| 14     | Proposed dividend   | Nil                            | Nil                             | Nil                           | Nil                                | Nil                                | Nil                                |
| 15     | % of Share Holding  | 100%                           | 100%                            | 100%                          | 100%                               | 60%                                | 100%                               |

**PART "B" : Associates Companies and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures ₹ in Lakhs

| Sl. No | Name of Associates/Joint Venture  | Prime Developers (Partnership Firm) | Prime Newline AOP (Association of Persons) | Prime Mall Developer (Partnership Firm) | Prime Urban Developers (Partnership Firm) | Prathan City Developers LLP |
|--------|---|-------------------------------------|--|---|---|-----------------------------|
| 1      | Latest Audited Balance Sheet Date   | 31.03.2020                          | 31.03.2020                                 | 31.03.2020                              | 31.03.2020                                | 31.03.2020                  |
| 2      | Shares of Associate/Joint Ventures held by the Company on the year ended 31st March, 2019 |                                     |  |   |   |                             |
| a      | No. of shares   | NA                                  | NA   | NA                                      | NA  | NA                          |
| b      | Amount of Investment in Associates/Joint Venture  | 1.00                                | 202.20                                     | 1.00                                    | 0.67                                      | 0.67                        |
| c      | Extent of Holding %   | 50%                                 | 75%  | 50%                                     | 67%                                       | 67%                         |
| 3      | Description of how there is significant influence   | NA                                  | NA   | NA                                      | NA  | NA                          |
| 4      | Reason why the associate/Joint venture is not consolidated                                | NA                                  | NA   | NA                                      | NA  | NA                          |
| 5      | Networth attributable to Shareholding as per latest audited                               | 132.87                              | (189.40)                                   | (1,273.00)                              | (68.61)                                   | (25.31)                     |
| 6      | Profit / (Loss) for the year  |                                     |  |   |   |                             |
| a      | Considered in consolidation   | (4.86)                              | (59.96)                                    | (2.51)                                  | (68.32)                                   | (25.31)                     |
| b      | Not considered in consolidation   | (4.86)                              | (19.99)                                    | (1.25)                                  | (33.65)                                   | (12.47)                     |

**For and on behalf of the Board**  
**Purusottamdas Patodia**  
Chairman & Managing Director  
(DIN 00032088)

Place : Mumbai  
Date : 29.06.2020

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **Annexure II**

#### **Secretarial Audit Report**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

To

The Members,

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

Door No. 83, 3rd Floor, Plot No. 4, Avinashi Main Road,

Near Petrol Bunk, Asher Nagar, Tirupur-641 603.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Prime Urban Development India Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2020** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure 'I'** for the Financial Year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and the Bye- laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investment (**Not Applicable to the Company during the period under Audit**)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are as follows:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - d) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not applicable as the Company has not made any further issue of Shares**)
  - f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999. Now known as the Securities and Exchange Board of India (Share based employees Benefits) Regulations, 2014 (**The Company has not introduced any such scheme during the financial year under review**)



- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(The Company has not issued any Debt Securities during the financial year under review)**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**(Not applicable as the Company has not delisted/propose to delist its Equity Shares from any Stock Exchange during the Financial Year under review)**
- i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;**(Not applicable as the Company has not brought back/propose to Buy-back any of its securities during the Financial Year under review)**

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure II**.

I have also examined Compliance with the applicable clauses/Regulations of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013;
- ii. The Listing Agreements entered into by the Company with BSE Limited read with (Listing Obligations and Disclosures Requirements Regulations, 2015.)

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards etc.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Director and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate Notice is given to all Directors to schedule the Board Meetings, agenda and detailed Notes on Agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable Laws, Rules, Regulations and Guidelines.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

In case of Direct and Indirect Tax Laws like Income Tax Act, Goods and Service Tax Act, I have relied on the Reports given by the Statutory Auditors of the Company.

**I further report that** during the audit period, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards, etc.

**I further report that** the Company has not executed any real estate projects during the year under report as any such projects are being executed in the following Partnership Firms/ LLP.

- 1) Prime Urban Developers
- 2) Prathan City Developers LLP

**I further report that** during the audit period the Company has the following specific events:

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

Mr. Krunal Shah, Company Secretary and Compliance officer of the Company resigned w.e.f. 30th September, 2019. Ms. Darshi Shah, was appointed as the Company Secretary and Compliance officer w.e.f. from 05th November, 2019. The Board of Directors at its Meeting held on 5th November, 2019 took note of the same.

Mr. Manoj Kumar Patodia Vice Chairman and Managing Director of the Company was appointed as Nodal Officer of the Company by way of Circular Resolution passed on 3rd September, 2019. The Board of Directors at its Meeting held on 5th November, 2019 took note of the same.

**For S.K.JAIN & Co.**

**Dr. S. K. Jain**  
**Practicing Company Secretary**  
**Membership No. FCS 1473**  
**COP No. 3076**  
**UDIN: F001473B000558801**

**Place: Mumbai**

**Date: August 07, 2020**

This report is to be read with our letter of even date which is annexed as “**Annexure - III**” and forms an integral part of this report.



## ANNEXURE - I

### List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2019.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, and Share Transfer & Stakeholder Relationship Committee along with Attendance Register held during the Financial Year under report.
4. Minutes of Annual General Meetings and Extra General Meeting held during the Financial Year under report.
5. All Statutory Registers.
6. Agenda papers submitted to all the Directors /Members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013 and attachments thereto during the Financial Year under Report.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Intimations received from directors under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report.
11. Closure of Register of Members.

For S.K.JAIN & Co.

Dr. S. K. Jain  
Practicing Company Secretary  
Membership No. FCS 1473  
COP No. 3076  
UDIN: F001473B000558801

Place : Mumbai

Date : August 07, 2020

## ANNEXURE – II

### List of applicable laws to the Company

1. Transfer of property Act, 1882
2. The payment of Bonus Act, 1965
3. The payment of Gratuity Act, 1972
4. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
5. The Maternity Benefits Act, 1961
6. The Employees Provident Fund and Miscellaneous Provision Act, 1952
7. The Professional tax Act, 1975

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **Annexure - III**

**To,  
The Members,  
PRIME URBAN DEVELOPMENT INDIA LIMITED**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place :** Mumbai  
**Date :** August 07, 2020

**For S.K.JAIN & Co.**

**Dr. S. K. Jain  
Practicing Company Secretary  
Membership No. FCS 1473  
COP No. 3076**





**Annexure - III**  
**Annual Report on Corporate Social Responsibility (“CSR”) Activities**

{Pursuant to clause (o) of sub-section 134 of the Act and Rule 9 of the  
(Corporate Social Responsibility) Rules, 2014}

**1. Brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

Prime Urban Development India Limited (“Company”), through its CSR initiatives will actively contribute to the Social, Economic and Environmental Development of our country and thereby create value for the nation. To generate through its CSR initiatives, a community goodwill for the Company which will help and reinforce a positive and socially responsible image of the Company as a responsible corporate entity. The Corporate Social Responsibility Policy (“CSR Policy”) has been recommended by CSR Committee and approved by the Board of Directors of the Company. The CSR Policy is available on the website of the Company at the link <http://www.ptlonline.com/new-investors/policies/Corporate-Social-Responsibility-Policy.pdf>

**2. The Composition of the CSR Committee is as under:**

- a) Mr. Banwarilal Singhal - Chairman (Non- Executive Independent Director)
- b) Mr. Purusottamdas Patodia - Member ( Chairman and Managing Director)
- c) Mr. Manoj Kumar Patodia - Member (Vice Chairman and Managing Director)
- d) Mr. Anuj Patodia - Member (Managing Director)

**3. Average net profit of the Company for last three financial years:** For the last three financial years, the Company has incurred Average Net Loss of Rs. 745.07 Lakhs.

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not Applicable

**5. Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: Nil

(b) Amount unspent, if any: Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below:

| 1              | 2                                  | 3                                      | 4   | 5   | 6  | 7   | 8  |
|----------------|------------------------------------|--|---|---|--|---|--|
| Sr. No.        | CSR project or activity identified | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads | Cumulative expenditure upto to the reporting period | Amount spent Direct / through implementing agency* |
| NOT APPLICABLE |                                    |  |   |   |  |   |  |

\*Give details of implementing agency

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**  
Not Applicable

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company, to the extent applicable.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company, to the extent applicable.

**Purusottamdas Patodia**  
Chairman and Managing Director

**Banwarilal Singhal**  
Chairman - CSR Committee

Place : Mumbai  
Date : September 3, 2020

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### Annexure IV

Details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary and Managing Director during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

| Sr. No. | Name of Director/KMP and designation                       | Remuneration of Director/KMP for Financial Year 2019-20 (Rs. in Lakhs) | %increase/ (decrease) in Remuneration for Financial year 2019-20 | Ratio of remuneration of each Director to median remuneration of employees |
|---------|--|--|--|--|
| 1       | Purusottamdas Patodia<br>Chairman and Managing Director    | 14.79  | (73.15)%   | 4.58   |
| 2       | Manoj Kumar Patodia<br>Vice-Chairman and Managing Director | 14.76  | (62.99)%   | 4.57   |
| 3       | Anuj Patodia<br>Managing Director                          | 14.08  | (66.24)%   | 4.36   |
| 4       | S. Udayananda<br>Chief Financial Officer                   | 13.42  | --   | 4.15   |
| 5       | Krunal Shah*<br>Company Secretary                          | 6.64   | (43.52)%   | 2.06   |
| 6       | Darshi Shah*<br>Company Secretary                          | 6.39   | 45.89%   | 1.98   |

\*Mr. Krunal Shah resigned as Senior Manager – Legal & Company Secretary w.e.f. September 30, 2019 and Ms. Darshi Shah appointed as Company Secretary & Compliance Officer w.e.f. November 5, 2020

- b) **Percentage increase in the median remuneration of employees in the financial year**  
In the financial year 2019-20, there was an increase of -23.49% in the median remuneration of employees.
- c) **Number of permanent employees on the rolls of Company**  
There were 9 Permanent employees on the rolls of Company as on 31st March, 2020.
- d) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**  
The average percentage increase made in the salaries of employees other than the managerial personnel for the financial year i.e. 2019-20 was -31.52% whereas the decrease in the managerial remuneration for the same financial year was -65.62%
- e) **Affirmation that the remuneration is as per the remuneration policy of the Company:**  
It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of Board of Directors

Purusottamdas Patodia  
Chairman and Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS

### Indian Economy

#### Introduction

Real estate sector is one of the most globally recognized sectors. It comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more non-resident Indian (NRI) investment, both in the short term and the long term.

#### Market Size

By 2040, real estate market will grow to Rs 65,000 crore (US\$ 9.30 billion) from Rs 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. Indian real estate increased by 19.5 per cent CAGR from 2017 to 2028.

#### South India: Real Estate

A robust establishment of skill-based manufacturing industries has led to fast paced urbanization in south India, housing around 102.8mn people in just urban areas (27.3% of India's total urban population). Tamil Nadu, Andhra Pradesh, Karnataka and Kerala house close to 50% of the total number of SEZs in the country. Together with industrial growth, IT remains the dominant driver for the real estate market.

#### About Tamil Nadu – Our core market:

##### Coimbatore – Manchester of South India

Coimbatore is the second largest city in Tamil Nadu and is advantageously located between tourist's attractions like Ooty, Kodaikanal and Kotagiri. Along with Textile, it also houses Engineering, Automobile parts manufacturing & IT/ITeS as the major industries.

It was one of the 20 cities who were named in the Smart cities mission initiative of the Government of India. Demand for second home and retirement communities continues unabated. Areas of the city such as R.S. Puram, Avinashi Road and Race Course, are considered as posh areas. Areas of Avinashi Road and Saravanampatti, Mettupalayam Road and Trichy Road are dominated by low-budget projects. Bus Rapid Transit System, Expansion of Airport are few factors that will provide growth opportunities. Around 3 special IT Economic Zones have been set up here, with the Government offering special schemes to promote real estate activity.

Accordingly, at Prime Urban, we have explored two projects in and around Coimbatore which is elaborated below:

#### Project Wise Details

At Prime Urban we are currently engaged with the following projects:

- **Prime Crest** – Prime Crest is our Joint Development Project. We have entered into Joint Development Agreement through our Partnership Firm, Messrs Prime Urban Developers with the owners of land situated at Coimbatore for undertaking construction of apartments in the said land.
- **Developed Land Project** - A land development project is taken up at Hill Station, Kotagiri, near Ooty through our Partnership Firm, M/s. Prathan City Developers in which the land development project is taken up and to be sold in piece and parcels to prospective buyers.

Further we are actively exploring other opportunities for Residential and Commercial Projects in the State of Tamil Nadu.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **Overall outlook:**

The Global Covid-19 Pandemic started at the end of the financial year has shocked the entire world which has slowed down the business and has impacted the market in which real estate sector is not exempted. It will take some more time for recovery to bounce back which is difficult to predict at the given situation.

### **Disclaimers:**

Certain statements in the "Management Discussion and Analysis" may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable securities laws and regulations, including but not limited to those relating to general business plans and strategy of the Company, its future outlook and growth prospects, future developments in its businesses, its competitive and regulatory environment and management's current views and assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, competitors actions, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. Company assumes no responsibility to publicly amend, modify or revise any statement, on basis of any subsequent development, information or events, or otherwise. The "Management's Discussion and Analysis" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's securities.



## CEO/CFO CERTIFICATE

To  
**The Board of Directors**  
**Prime Urban Development India Limited**

We, the undersigned, in our respective capacities as the Chairman and Managing Director and Chief Financial Officer of Prime Urban Development India Limited ("the Company") to the best of our knowledge and belief hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement of Prime Urban Development India Limited for the year ended March 31, 2020 and based on our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - (2) 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated, based on our most recent evaluation, wherever applicable to the Auditors and Audit Committee:
- (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year; and
  - (3) that there are no instances of fraud of which we have become aware and involvement therein of the management or employee having a significant role in the Company's internal control system over financial reporting.

**Place: Mumbai**  
**Date : 29.06.2020**

**Purusottamdas Patodia**  
**Chairman & Managing Director**

**S.Udayananda**  
**GM (Finance) and CFO**

# PRIME URBAN DEVELOPMENT INDIA LIMITED

## Independent Auditors' Report

To the Members of Prime Urban Development India Ltd.  
Report on the Standalone Financial Statements

### Opinion:

1. We have audited the accompanying financial statements of Prime Urban Development India Ltd (the "Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of cashflows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "Standalone financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements for the year ended 31st March, 2020 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters:

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matters  | Auditor's Response  |
|---------|--|---|
| 1       | Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)" | <p><u>Principal Audit Procedures</u></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>As per Ind AS 115 "Revenue from Contracts with Customers" An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.</p> <p>It is probable that entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.</p> |

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements:**

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Standalone) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements:**

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## PRIME URBAN DEVELOPMENT INDIA LIMITED

11. Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter:

15. We did not audit the financial statements/ information of Mumbai branch included in the Standalone financial statements of the Company whose financial statements reflect total assets of Rs. 140.28 lakhs as at 31st March 2020 and the total revenue of Rs.18.98 lakhs for the year ended on that date as considered in the standalone financial statements of these branch have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of these matters

### Report on Other Legal and Regulatory Requirements:

16. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The reports on the accounts of the Mumbai branch office of the Company audited under section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - f) On the basis of written representations received from the directors as on 31st March 2020 taken on record by the board of directors, none of the directors are disqualified as on 31st March, 2020 from being appointed as directors in terms of section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financials controls with reference to financial statements.
  - h) In our opinion, According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration for the year ended on March 31, 2020 has paid/provided by the Company to its directors in accordance with the provisions of the section 197 of the Act read with Schedule V to the Act.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.





j) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

17. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in "Annexure - B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For L.U.Krishnan & Co.  
Chartered Accountants  
FRN – 001527S

P.K.Manoj  
Partner

Membership No.207550

Place: Chennai  
Date: 29.06.2020

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **Annexure - A to the Independent Auditors' Report**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Prime Urban Development India Ltd ("the Company") as at 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended and as at on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that,

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements.**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai  
Date: 29.06.2020

For L.U.Krishnan & Co.  
Chartered Accountants  
FRN – 001527S

P.K.Manoj  
Partner  
Membership No.207550



## BALANCE SHEET

₹ in Lacs

| Particulars  | Note             | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--|------------------|---------------------------|---------------------------|
| <b>I. ASSETS</b>   |                  |                           |                           |
| <b>(1) Non-current assets</b>  |                  |                           |                           |
| a. Property, plant and equipment   | 3                | 637.47                    | 733.22                    |
| b. Capital Work-in-progress  | 3                | -                         | -                         |
| c. Financial Assets  |                  |                           |                           |
| (i) Investments in subsidiaries and associates   | 4(a)(i)          | 4,692.18                  | 4,830.58                  |
| (ii) Other investments   | 4(a)(ii)         | 5.00                      | 5.00                      |
| (iii) Other financial assets   | 4(b)             | 12.70                     | 12.29                     |
| d. Deferred tax assets   |                  | 14.58                     | 14.58                     |
| Total Non-current Assets   |                  | 5,361.94                  | 5,595.67                  |
| <b>(2) Current assets</b>  |                  |                           |                           |
| a. Inventories   | 5                | 1,647.05                  | 1,881.85                  |
| b. Financial Assets  |                  |                           |                           |
| (i) Investments  | 4(c)             | 131.87                    | 378.17                    |
| (ii) Trade receivables   | 4(d)             | 8.66                      | 2014.85                   |
| (iii) Cash and cash equivalents  | 4(e)             | 17.54                     | 58.32                     |
| (iv) Bank balances other than above  | 4(f)             | 7.86                      | 7.86                      |
| (v) Loans to corporates  | 4(g)             | 150.00                    | 150.00                    |
| (vi) Loans to Associates/Firms in which Co is a Partner                                | 4(h)             | 710.49                    | 9.00                      |
| c. Current Tax Assets (Net)  | 6                | 227.90                    | 214.49                    |
| d. Other current assets  | 7                | 115.28                    | 242.83                    |
| Total Current Assets   |                  | 3,016.65                  | 4,957.37                  |
| Total Assets   |                  | 8,378.59                  | 10,553.04                 |
| <b>II. EQUITY AND LIABILITIES</b>  |                  |                           |                           |
| <b>EQUITY</b>  |                  |                           |                           |
| a. Equity Share Capital  | 8(a)             | 532.87                    | 532.87                    |
| b. Other Equity  | 8(b)             | 181.12                    | 913.10                    |
| Total Equity   |                  | 713.99                    | 1,445.97                  |
| <b>LIABILITIES</b>   |                  |                           |                           |
| <b>1) Non-current liabilities</b>  |                  |                           |                           |
| Financial Liabilities  |                  |                           |                           |
| a. Borrowings  | 9(a)             | 548.25                    | 576.41                    |
| b. Other financial liabilities   | 9(b)             | 1,367.54                  | 1,269.74                  |
| Total Non-current liabilities  |                  | 1,915.79                  | 1,846.15                  |
| <b>2) Current liabilities</b>  |                  |                           |                           |
| a. Financial Liabilities   |                  |                           |                           |
| Borrowings   | 10(a)            | 1,522.75                  | 2,638.92                  |
| Total outstanding dues to creditors other than micro enterprises and small enterprises | 10(b)            | 4,073.48                  | 4,498.54                  |
| Other financial liabilities  | 10(c)            | 85.47                     | 51.75                     |
| b. Other current liabilities   | 11(a)            | 67.11                     | 51.59                     |
| c. Provisions  | 11(b)            | -                         | 20.12                     |
| Total Current Liabilities  |                  | 5,748.81                  | 7,260.92                  |
| Total Equity and Liabilities   |                  | 8,378.59                  | 10,553.04                 |
| Significant Accounting Policies  | <b>1 &amp; 2</b> |                           |                           |
| Additional information to the financial statements                                     | <b>21</b>        |                           |                           |

As per our report of even date attached

For **L.U.Krishnan & Co**

Chartered Accountants

FRN 001527S

**P.K.Manoj**

Partner M.No.207550

Place : Mumbai

Date : 29.06.2020

**Manoj Kumar Patodia**

Vice Chairman & Managing Director

(Din No: 00026455)

**S.Udayananda**

GM(Finance) and CFO

For and on behalf of the Board

**Purusottamdas Patodia**

Chairman & Managing Director

(Din 00032088)

**Darshi Shah**

Company Secretary & Compliance Officer

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**STATEMENT OF PROFIT AND LOSS**

₹ in Lacs

| Particulars   | Note  | Year Ended<br>31st March, 2020 | Year Ended<br>31st March, 2019 |
|---|-------|--------------------------------|--------------------------------|
| <b>Income</b>   |       |                                |                                |
| 1 Revenue from operations   | 12    | 5,342.02                       | 15,185.26                      |
| 2 Other income  | 13    | 107.83                         | 173.20                         |
| 3 <b>Total Revenue (1 + 2)</b>  |       | <u>5,449.85</u>                | <u>15,358.46</u>               |
| <b>4 Expenses</b>   |       |                                |                                |
| (a) Cost of Land sold and land development cost                             | 14    | 215.53                         | 347.41                         |
| (b) Purchases of Stock-in-Trade   | 15    | 4,702.47                       | 12,221.34                      |
| (c) Changes in inventories of finished goods and Stock-in-trade             | 16    | 127.62                         | 1,110.11                       |
| (d) Employee benefit expenses   | 17    | 147.16                         | 311.31                         |
| (e) Finance costs   | 18    | 224.96                         | 313.50                         |
| (f) Depreciation and amortisation expenses                                  |       | 37.49                          | 35.12                          |
| (g) Other expenses  | 19    | 756.89                         | 1,271.71                       |
| Total expenses (a to g)   |       | <u>6,212.12</u>                | <u>15,610.50</u>               |
| 5 <b>Profit/(-) Loss before exceptional and extraordinary items and tax</b> |       | <u>(762.27)</u>                | <u>(252.04)</u>                |
| 6 Exceptional expenses  | 20    | -                              | -                              |
| 7 <b>Profit/(-) Loss before extraordinary items and tax</b>                 |       | <u>(762.27)</u>                | <u>(252.04)</u>                |
| 8 Extraordinary items   |       | -                              | -                              |
| 9 <b>Profit/(-) Loss Before Tax</b>   |       | <u>(762.27)</u>                | <u>(252.04)</u>                |
| 10 Tax expense :  |       |                                |                                |
| (a) Current Tax   |       | -                              | (7.56)                         |
| (b) MAT   |       | -                              | -                              |
| (c) Deferred Tax  |       | -                              | -                              |
| (d) Tax for prior year's  |       | 2.77                           | (18.86)                        |
| 11 <b>Profit/(-) Loss for the year</b>                                      |       | <u>(759.50)</u>                | <u>(278.46)</u>                |
| Other Comprehensive Income  |       |                                |                                |
| 12 Items that will not be reclassified to Profit or Loss                    |       |                                |                                |
| Impact on remeasurement of post-employment benefit obligation               |       | 27.52                          | 10.61                          |
| Total Comprehensive Income/(Loss) for the year                              |       | <u>(731.98)</u>                | <u>(267.85)</u>                |
| 13 <b>Earnings Per Equity Share :</b>                                       |       |                                |                                |
| Basic/Diluted Earnings Per Share before exceptional/extraordinary items     |       | (2.85)                         | (1.05)                         |
| Basic/Diluted Earnings Per Share after exceptional/extraordinary items      |       | (2.85)                         | (1.05)                         |
| (Face value of Rs. 2 each)  |       |                                |                                |
| <b>Significant Accounting Policies</b>                                      | 1 & 2 |                                |                                |
| <b>Additional information to financial statements</b>                       | 21    |                                |                                |

As per our report of even date attached

For **L.U.Krishnan & Co**  
Chartered Accountants  
FRN 001527S

**Manoj Kumar Patodia**  
Vice Chairman & Managing Director  
(Din No: 00026455)

For and on behalf of the Board  
**Purusottamdas Patodia**  
Chairman & Managing Director  
(Din 00032088)

**P.K.Manoj**  
Partner M.No.207550

Place : Mumbai  
Date : 29.06.2020

**S.Udayananda**  
GM(Finance) and CFO

**Darshi Shah**  
Company Secretary & Compliance Officer



## STANDALONE STATEMENT OF CASH FLOWS

₹ in Lacs

| Particulars   | Year Ended<br>31st March, 2020 | Year Ended<br>31st March, 2019 |
|---|--------------------------------|--------------------------------|
| <b>A. Cash Flow from Operating Activities</b>   |                                |                                |
| <b>Net Profit/(Loss) before tax, exceptional items and after other comprehensive income</b> | <b>(734.75)</b>                | <b>(241.43)</b>                |
| Adjustments for:  |                                |                                |
| Depreciation and amortisation expense   | 37.49                          | 35.12                          |
| (Profit) / Loss on sale of property, plant and equipment (net)                              | 0.88                           | 13.34                          |
| Interest income   | (72.22)                        | (49.82)                        |
| Dividend receipts   | (4.04)                         | (3.64)                         |
| Finance Cost  | 216.57                         | 306.98                         |
| <b>Operating profit before working capital changes</b>                                      | <b>(556.06)</b>                | <b>60.55</b>                   |
| Changes in Working Capital:   |                                |                                |
| Increase / (Decrease) in trade payables   | (425.06)                       | 47.06                          |
| Increase / (Decrease) in provisions   | (20.11)                        | (4.68)                         |
| Increase / (Decrease) in other financial liabilities  | (33.72)                        | (25.09)                        |
| Increase / (Decrease) in other current liabilities  | 15.52                          | 25.74                          |
| (Increase) / Decrease in margin money and unpaid dividend                                   | -                              | (0.17)                         |
| (Increase) / Decrease in trade receivables  | 2,006.20                       | (1,400.99)                     |
| (Increase) / Decrease in inventories  | 234.80                         | 1,457.51                       |
| (Increase) / Decrease in Short Term loans and advances                                      | (701.50)                       | 124.90                         |
| (Increase) / Decrease in other financial assets   | (0.40)                         | (3.60)                         |
| (Increase) / Decrease in other current assets   | 127.56                         | (65.86)                        |
| <b>Cash Generated from Operations</b>   | <b>714.66</b>                  | <b>215.37</b>                  |
| Taxes paid (net of refunds)   | (10.65)                        | (53.33)                        |
| <b>Net cash generated from operations before exceptional items</b>                          | <b>704.01</b>                  | <b>162.04</b>                  |
| Exceptional items   | -                              | -                              |
| <b>Net cash generated from operating activities</b>   | <b>704.01</b>                  | <b>162.04</b>                  |
| <b>B. Cash flow from Investing Activities:</b>  |                                |                                |
| Purchase of property, plant and equipments /intangible assets                               | (4.57)                         | (80.80)                        |
| Sale of tangible/intangible assets  | 61.94                          | 11.50                          |
| Interest received   | 72.22                          | 49.82                          |
| Sale of investments   | 384.69                         | 582.55                         |
| <b>Net cash from investing activities</b>   | <b>518.32</b>                  | <b>566.71</b>                  |
| <b>C. Cash flow from Financing Activities</b>   |                                |                                |
| Repayment of Long Term borrowings   | 69.64                          | 18.86                          |
| Net Proceeds/ repayment short term borrowings   | (1,116.17)                     | (591.68)                       |
| Finance Cost  | (216.57)                       | (306.98)                       |
| <b>Net cash used in Financing Activities</b>  | <b>(1,263.10)</b>              | <b>(879.80)</b>                |
| <b>Net increase in cash and Cash equivalents</b>  | <b>(40.77)</b>                 | <b>(151.05)</b>                |
| <b>Cash and Bank balances at the beginning of the year</b>                                  | <b>58.32</b>                   | <b>209.37</b>                  |
| <b>Cash and Bank balances at the end of the year</b>  | <b>17.54</b>                   | <b>58.32</b>                   |
| <b>Reconciliation of Cash and Bank balances with the Balance sheet</b>                      |                                |                                |
| Cash and Cash equivalents as per Balance Sheet  | 25.40                          | 66.18                          |
| Less : Bank Balances not considered as Cash and Cash equivalents                            |                                |                                |
| Margin Money Deposit  | -                              | -                              |
| Unpaid dividend   | 7.86                           | 7.86                           |
| <b>Net Cash and Cash equivalents at the year end</b>  | <b>17.54</b>                   | <b>58.32</b>                   |

As per our report of even date attached

For **L.U.Krishnan & Co**  
Chartered Accountants  
FRN 001527S

**P.K.Manoj**  
Partner M.No.207550

Place : Mumbai  
Date : 29.06.2020

**Manoj Kumar Patodia**  
Vice Chairman & Managing Director  
(Din No: 00026455)

**S.Udayananda**  
GM(Finance) and CFO

For and on behalf of the Board  
**Purusottamdas Patodia**  
Chairman & Managing Director  
(Din 00032088)

**Darshi Shah**  
Company Secretary & Compliance Officer

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### Note 1 & 2

#### Significant Accounting Policies

##### 1. Company overview:

The Prime Urban Development India Limited ("the Company") is public limited company incorporated and domiciled in India and has registered office at No.83, Site No.4, 3rd Floor, Near Petrol Bunk, Avinashi Road, Gandhinagar Post, Tirupur Tamil Nadu. It is incorporated under the Indian Companies Act, 1913 and its shares are listed on the Bombay Stock Exchange.

The Company is having business of Realty and textile.

##### 2. Significant Accounting Policies:

###### 2.01. Basis of Accounting:

###### (i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

###### (ii) Historical Cost Convention :

The financial statements have been prepared on an accrual basis and under the historical cost convention except for the following :

1. certain financial assets and liabilities that are measured at fair value;
2. assets held for sale – measured at lower of cost to sell;
3. defined benefit plans – plan assets measured at fair value;

###### (iii) Classification of assets and liabilities :

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

###### (iv) Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

###### 2.02: 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.

###### 2.03: Property, Plant and Equipment:

The Company has elected to continue with the carrying value of all its Property, Plant and Equipment under the Indian GAAP as on 31st March, 2016, as the deemed cost for the purpose of transition to Ind AS.

All other items of property, plant and equipment are measured at cost less accumulated 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.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it becomes available for use, their cost is re-classified to appropriate caption and are subjected to depreciation.

###### 2.04: 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 Statement of Profit and Loss. 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.

###### 2.05: Depreciation:

- a. Depreciation on fixed assets is provided on straight line method at the rates prescribed in Schedule II to the Companies Act 2013.
- b. Assets sold/discarded/demolished during the year; no depreciation is provided for.

**2.06: Revenue Recognition:**

Revenue from contracts with customers The Company derives revenues primarily from sale of textile and real estate project revenue.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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

**b) Textile:** Revenue from sale of goods are recognised on transfer of significant risk and rewards of ownership to the buyer which generally coincides with shipment. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates if any

**c) Other Income:**

Dividend income on investments is recognized when the right to receive dividend is established.  
Interest Income is recognized on a time proportionate basis taking into account the amount invested and the rate of interest.

**2.07: Valuation of Inventories:**

- a. Costs of materials are determined using specific identification method.
- b. Cost of realty inventory at value converted the land into stock-in-trade and other residential unit and land at specific identification method and other cost on specific identification method.

**2.08: 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 Statement of Profit and Loss.

**2.09: 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, and Employees State Insurance are recognized in the Statement of Profit and Loss.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **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.

### **2.10: Foreign Currency Transactions:**

#### **Initial recognition :**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the rates that closely approximate to the rate at the date of the transaction.

#### **Measurement :**

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at year end exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

#### **Treatment of exchange difference:**

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss.

### **2.11: 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 and recognized in the statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.
- 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.

### **2.12: Lease Rentals:**

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

### **2.13: Provisions and Contingent Liabilities :**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### **2.14: Earnings Per Share policy:**

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average **number** of equity shares outstanding during the period is adjusted for events of bonus issue, bonus elements in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

### **2.15: Cash and Cash equivalents policy:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **2.16: Financial Instrument:**

#### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.





## **Financial assets**

### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### **Subsequent measurement**

**Equity Investments.** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

## **Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### **Subsequent measurement**

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## **2.17: Exceptional Items:**

When an item of income or expense within profit or loss from ordinary is of such size, nature or incidence that their disclosure is relevant to explain the performance of the company for the year, the nature and amount of such items is disclosed as exceptional items.

---

As per our report of even date attached

**For L.U.Krishnan & Co**  
Chartered Accountants  
FRN 001527S

**P.K.Manoj**  
Partner: M.No.207550

Place : Mumbai  
Date : 29.06.2020

**Manoj Kumar Patodia**  
Vice Chairman & Managing Director  
(Din No: 00026455)

**S.Udayananda**  
GM(Finance) & CFO

**For and on behalf of the Board**  
**Purusottamdas Patodia**  
Chairman & Managing Director  
(Din 00032088)

**Darshi Shah**  
Company Secretary & Compliance Officer

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**Standalone Statement of Changes in Equity for the Year Ended 31st March, 2020**

₹ in Lacs

| <b>EQUITY SHARE CAPITAL</b>  | <b>Balance as at April 01, 2018</b> | <b>Changes in Equity Share Capital during the year</b> | <b>Balance as at April 01, 2019</b> | <b>Changes in Equity Share Capital during the period</b> | <b>Balance as at March 31, 2020</b> |
|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|
| Paid up Capital (Equity shares of Rs.2/- each issued, subscribed & fully paid up | 532.87                              | -  | 532.87                              | -  | 532.87                              |
| <b>OTHER EQUITY</b>  |                                     |  |                                     |  |                                     |
| <b>Particulars</b>   | <b>Securities Premium</b>           | <b>General Reserve</b>                                 | <b>Retained Earnings</b>            | <b>Other Comprehensive Income/(expenses)</b>             | <b>Total</b>                        |
| <b>Balance as at April 01, 2018</b>  | 117.00                              | 1,950.71   | (871.68)                            | (15.08)  | 1,180.95                            |
| <b>Profit/(Loss) for the Year</b>  | -                                   | -  | (278.46)                            | -  | (278.46)                            |
| Transfer from Retained Earnings  | -                                   | -  | -                                   | -  | -                                   |
| Transfer to/from Business Reconstruction Reserve                                 | -                                   | -  | -                                   | -  | -                                   |
| Reduction due to a portion of land sold/transfer                                 | -                                   | -  | -                                   | -  | -                                   |
| Other Comprehensive Income for the year  | -                                   | -  | -                                   | 10.61  | 10.61                               |
| <b>Balance as at March 31, 2019</b>  | 117.00                              | 1,950.71   | (1,150.14)                          | (4.47)   | 913.10                              |
| <b>Profit/(Loss) for the Year</b>  | -                                   | -  | (759.50)                            | -  | (759.50)                            |
| Reduction due to a portion of land sold/transfer                                 | -                                   | -  | -                                   | -  | -                                   |
| Other Comprehensive Income for the year  | -                                   | -  | -                                   | 27.52  | 27.52                               |
| <b>Balance as at March 31, 2020</b>  | 117.00                              | 1,950.71   | (1,909.64)                          | 23.05  | 181.12                              |

Notes to Standalone Financial Statements for the Year Ended 31st March, 2020

Note 3: Property, Plant and Equipment

| Particulars   | Freehold Land | Buildings     | Furniture and fixtures | Vehicles      | ₹ in Lacs |                 |
|---|---------------|---------------|------------------------|---------------|-----------|-----------------|
|   |               |               |                        |               | Total     |                 |
| <b>Year Ended March 31, 2019</b>                    |               |               |                        |               |           |                 |
| Balance as on 01.04.2018                            | 307.21        | 303.24        | 149.91                 | 214.81        |           | 975.17          |
| Additions   | -             | -             | 13.96                  | 66.84         |           | 80.80           |
| Disposals   | -             | -             | -                      | (37.74)       |           | (37.74)         |
| Transfers   | -             | -             | -                      | -             |           | -               |
| <b>Closing Gross Carrying Amount</b>                | <b>307.21</b> | <b>303.24</b> | <b>163.87</b>          | <b>243.91</b> |           | <b>1,018.23</b> |
| <b>Accumulated Depreciation</b>                     |               |               |                        |               |           |                 |
| Accumulated Depreciation 01.04.2018                 | -             | 15.11         | 139.40                 | 108.27        |           | 262.78          |
| Depreciation charge during the year                 | -             | 4.92          | 5.32                   | 24.88         |           | 35.12           |
| Disposals   | -             | -             | -                      | (12.89)       |           | (12.89)         |
| <b>Closing Accumulated Depreciation</b>             | <b>-</b>      | <b>20.03</b>  | <b>144.72</b>          | <b>120.26</b> |           | <b>285.01</b>   |
| <b>Net Carrying Amount as on 31.03.2019</b>         | <b>307.21</b> | <b>283.21</b> | <b>19.15</b>           | <b>123.65</b> |           | <b>733.22</b>   |
| <b>Year ended 31st March, 2020</b>                  |               |               |                        |               |           |                 |
| Balance as at 1 April, 2019 - Gross carrying amount | 307.21        | 303.24        | 163.87                 | 243.91        |           | 1,018.23        |
| Additions   | -             | -             | 4.57                   | -             |           | 4.57            |
| Disposals   | (60.20)       | 0             | 0                      | (3.64)        |           | (63.84)         |
| Transfers   | -             | -             | -                      | -             |           | -               |
| <b>Closing Gross Carrying Amount</b>                | <b>247.01</b> | <b>303.24</b> | <b>168.44</b>          | <b>240.27</b> |           | <b>958.96</b>   |
| <b>Accumulated Depreciation</b>                     |               |               |                        |               |           |                 |
| Opening Accumulated Depreciation                    | -             | 20.03         | 144.72                 | 120.26        |           | 285.01          |
| Depreciation charge during the year                 | -             | 4.91          | 6.30                   | 26.28         |           | 37.49           |
| Disposals   | -             | -             | -                      | (1.01)        |           | (1.01)          |
| <b>Closing Accumulated Depreciation</b>             | <b>-</b>      | <b>24.94</b>  | <b>151.02</b>          | <b>145.53</b> |           | <b>321.49</b>   |
| <b>Net Carrying Amount - as on 31.03.2020</b>       | <b>247.01</b> | <b>278.30</b> | <b>17.42</b>           | <b>94.74</b>  |           | <b>637.47</b>   |

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**Notes to the Financial Statements**

₹ in Lacs

| Particulars   | As at 31st March, 2020 |          | As at 31st March, 2019 |             |
|---|------------------------|----------|------------------------|-------------|
|   | No of shares           |          | No of shares           |             |
| <b>Note 4 : Financial Assets</b>  |                        |          |                        | <b>4(a)</b> |
| <b>Non-current Investments - Un-quoted</b>  |                        |          |                        |             |
| (i) Subsidiaries - Trade  |                        |          |                        |             |
| (1) Equity Shares fully paid up :   |                        |          |                        |             |
| ATL Textile Processors Limited  | 10,37,450              | 514.45   | 10,37,450              | 514.45      |
| Manoj Yarn Processors Limited   | 50,900                 | -        | 50,900                 | 5.09        |
| PeeDee Yarn Processors Limited  | 10,900                 | -        | 10,900                 | 1.09        |
| Patodia Developers Private Limited  | 10,000                 | -        | 10,000                 | 1.00        |
| Srivarsha Realtors Private Limited  | 10,000                 | 0.36     | 10,000                 | 0.60        |
| Newline Buildtech Private Limited (* Note below)  | 58,02,925              | 3,971.84 | 58,02,925              | 4,103.48    |
| ( Shares are of face value of Rs. 10/- each)  |                        |          |                        |             |
| Note: During the year Diminution in value of Investment in Subsidiary Companies recognized and reduced in value of respective Investments |                        | 4,486.65 |                        | 4,625.71    |
|   |                        | 4,486.65 |                        | 4,625.71    |
| (2) Investment in Partnership firms / AOP   |                        |          |                        |             |
| Prime Newline AOP   |                        | 202.20   |                        | 202.20      |
| Prime Developers  |                        | 1.00     |                        | 1.00        |
| Prime Mall Developers   |                        | 1.00     |                        | 1.00        |
| Prathan City Developers LLP   |                        | 0.67     |                        | -           |
| Prime Urban Developers  |                        | 0.67     |                        | 0.67        |
| Aggregate amount of Unquoted investments  |                        | 205.54   |                        | 204.87      |
| Investments in subsidiaries and associates  |                        | 4,692.19 |                        | 4,830.58    |
| (ii) Other entities - Non-Trade   |                        |          |                        |             |
| Tirupur Infrastructure Development Company Limited (500 shares of Rs.1000 each)   | 500                    | 5.00     | 500                    | 5.00        |
|   |                        | 5.00     |                        | 5.00        |
| Sub-total (b) (i) + (ii)  |                        | 4,697.19 |                        | 4,835.58    |

₹ in Lacs

| Name of the Partners in the firm/AOP         | Year Ended 31.03.2020 / 31.03.2019 |                         |               |
|--|------------------------------------|-------------------------|---------------|
|  | Total Capital Rs. in lacs          | Share of Profit or Loss |               |
| <b>Prime Developers :</b>                    |                                    |                         |               |
| 1 Prime Urban Development India Limited      | 1.00                               | 50.00%                  |               |
| 2 Prime Hitech Admin Servics LLP             | 1.00                               | 50.00%                  |               |
|  | 2.00                               | 100.00%                 |               |
| <b>Prime Mall Developers :</b>               |                                    | Share of Profit         | Share of Loss |
| 1 Prime Urban Development India Limited      | 1.00                               | 50.00%                  | 66.66%        |
| 2 Pudumjee Plant Laboratories Limited        | 1.00                               | 25.00%                  | 33.34%        |
| 3 Indraneel Properties Ltd (w.e.f 4.11.2017) | -                                  | 25.00%                  | -             |
|  | 2.00                               | 100.00%                 | 100.00%       |
| <b>Prime Newline - AOP :</b>                 |                                    |                         |               |
| 1 Prime Urban Development India Limited      | 202.20                             | 75.00%                  | 75.00%        |
| 2 Newline Buildtech Private Limited          | 67.40                              | 25.00%                  | 25.00%        |
|  | 269.60                             | 100.00%                 | 100.00%       |
| <b>Prime Urban Developers</b>                |                                    |                         |               |
| 1 Prime Urban Development India Limited      | 0.67                               | 67.00%                  | 67.00%        |
| 2 Paul & Lord Enterprises LLP                | 0.33                               | 33.00%                  | 33.00%        |
|  | 1.00                               | 100.00%                 | 100.00%       |
| <b>Prathan City Developers LLP</b>           |                                    |                         |               |
| 1 Prime Urban Development India Limited      | 0.67                               | 67.00%                  | 67.00%        |
| 2 Mr. T. Paul Sugumaran                      | 0.33                               | 33.00%                  | 33.00%        |
|  | 1.00                               | 100.00%                 | 100.00%       |



## Notes to the Financial Statements

₹ in Lacs

| Particulars   | Note  | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|---|---|---------------------------|---------------------------|
| 4(b) Other financial assets   |   |                           |                           |
| (i) Security Deposits   |   | 12.70                     | 12.29                     |
|   | Sub-total                                   | 12.70                     | 12.29                     |
| 4(c) Current Investments (Unquoted )  |   |                           |                           |
| Balance in Partners' Current account  |   | 131.87                    | 378.17                    |
|   | Sub-total (a)                               | 131.87                    | 378.17                    |
| 4(d) Trade receivables  |   |                           |                           |
| Considered good - Unsecured   |   | 8.66                      | 2,014.85                  |
| Trade Receivables which have significant increase in Credit Risk                                    |   | -                         | 10.16                     |
|   |   | 8.66                      | 2,025.01                  |
| Less : Allowances for bad and doubtful debts  |   | -                         | (10.16)                   |
|   | Sub-total (c)                               | 8.66                      | 2,014.85                  |
| 4(e) Cash and cash equivalents  |   |                           |                           |
| Cash and cash equivalents   |   |                           |                           |
| (i) Cash on hand  |   | 1.78                      | 2.95                      |
| (ii) Balances with bank in current accounts   |   | 15.34                     | 52.03                     |
| (iii) Flexi Deposits in Bank  |   | 0.42                      | 3.34                      |
|   |   | 17.54                     | 58.32                     |
| 4(f) Bank balances other than above   |   |                           |                           |
| Unpaid dividend account *   |   | 7.86                      | 7.86                      |
| In Deposits under lien  |   | -                         | -                         |
| * Shall transfer when due to IEPF, still not due for transfer                                       |   | 7.86                      | 7.86                      |
|   | Total                                       | 25.40                     | 66.18                     |
| 4(g)  |   |                           |                           |
| (i) Loans and advances to :   |   |                           |                           |
| - Loans receivable from Corporte - Considered good, Unsecured                                       |   | 150.00                    | 150.00                    |
|   |   | 150.00                    | 150.00                    |
| 4(h) (ii) Loans and advances to :   |   |                           |                           |
| - Loan receivable from Subsidiary considered good unsecured   |   | 9.20                      | 9.00                      |
| Advance to others   |   | 0.29                      | -                         |
| - Loans receivable from Associates/Firms in which Company is a Partner - Considered good, Unsecured |   | 701.00                    | -                         |
|   | Sub-total (e)                               | 710.49                    | 9.00                      |
| Note-5 Inventories  |   |                           |                           |
| Valued at Cost or Net realisable value whichever is lower   |   |                           |                           |
| (i) Stock in Trade - Yarn (**)  |   | -                         | 52.14                     |
| (ii) Realty Inventory ( Villa and development rights)   |   | 1,647.05                  | 1,829.71                  |
|   | Sub-total (b)                               | 1,647.05                  | 1,881.85                  |
| (**) The Inventory is hypothecated for the working capital loans availed from Central Bank of India | No inventory is written off during the year |                           |                           |
| Note 6 Current Tax Assets (Net)   |   |                           |                           |
| Advance tax   |   | 239.11                    | 630.48                    |
| Less: Provisions for Taxation   |   | 11.21                     | 415.99                    |
|   |   | 227.90                    | 214.49                    |
| Note 7 Other current assets   |   |                           |                           |
| Interest accrued on Loans & deposits  |   | 58.30                     | 18.51                     |
| Prepayments   |   | 2.53                      | 10.55                     |
| Refund due or balances with government authorities  |   | 41.53                     | 109.63                    |
| Advances to suppliers   |   | 12.76                     | 103.96                    |
| Advances to employees and others  |   | 0.16                      | 0.18                      |
|   | Sub-total (f)                               | 115.28                    | 242.83                    |

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**Notes to the Financial Statements**

₹ in Lacs

| Particulars  | As at 31st March, 2020 |                | As at 31st March, 2019 |                |
|--|------------------------|----------------|------------------------|----------------|
|  | Number                 | Rupees in lacs | Number                 | Rupees in lacs |
| <b>Note 8: Equity Share Capital and Other Equity</b> |                        |                |                        |                |
| <b>(a) : Equity Share Capital</b>                    |                        |                |                        |                |
| Authorised   |                        |                |                        |                |
| Equity Shares of Rs.2 each                           | 6,25,00,000            | 1,250.00       | 6,25,00,000            | 1,250.00       |
| Preference Shares of Rs.100 each                     | 7,50,000               | 750.00         | 7,50,000               | 750.00         |
| Issued   |                        |                |                        |                |
| Equity Shares of Rs.2 each                           | 2,66,44,300            | 532.89         | 2,66,44,300            | 532.89         |
| Subscribed and paid up:                              |                        |                |                        |                |
| Equity Shares of Rs.2 each                           | 2,66,43,600            | 532.87         | 2,66,43,600            | 532.87         |
|  | 2,66,43,600            | 532.87         | 2,66,43,600            | 532.87         |

Note (a) : Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period ₹ in Lacs

| Particulars                                     | As at 31st March, 2020 |                | As at 31st March, 2019 |                |
|---|------------------------|----------------|------------------------|----------------|
|   | Number                 | Rupees in lacs | Number                 | Rupees in lacs |
| Shares outstanding at the beginning of the year | 2,66,43,600            | 532.87         | 2,66,43,600            | 532.87         |
| 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       | 2,66,43,600            | 532.87         | 2,66,43,600            | 532.87         |

Note (b) - Details of Shareholders holding more than 5% of Equity Shares in the Company : ₹ in Lacs

| Particulars                   | As at 31st March, 2020 |                | As at 31st March, 2019 |                |
|-------------------------------|------------------------|----------------|------------------------|----------------|
|                               | Number                 | Rupees in lacs | Number                 | Rupees in lacs |
| Anjana Syntex Company Limited | 56,60,655              | 21.25%         | 56,60,655              | 21.25%         |
| Pat Credit Limited            | 60,09,675              | 22.56%         | 60,09,675              | 22.56%         |
| Meenal Patodia                | 17,24,915              | 6.47%          | 17,24,915              | 6.47%          |

Note (c) - Terms/Rights attached to equity shares :- The Company has only one class of equity shares having par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share.

Note (d) - There was no issue of shares allotted as fully paid up pursuant to Contract(s) without payment being received in cash or buyback or bonus shares in the preceeding five years

Note (e) - Dividends proposed by the Board of Directors, if any is subject to approval of the Shareholders in the Annual General Meeting, except in case of interim Dividend.

Note (f) - In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



## Notes to the Financial Statements

₹ in Lacs

| Particulars   | As at 31st March, 2020 | As at 31st March, 2019 |
|---|------------------------|------------------------|
| <b>Note 8(b) : Other Equity</b>   |                        |                        |
| i Securities Premium  | 117.00                 | 117.00                 |
| ii General Reserve  | 1,950.71               | 1,950.71               |
| iii Retained Earnings   | (1,886.59)             | (1,154.61)             |
|   | <u>181.12</u>          | <u>913.10</u>          |
| <b>(i) Securities Premium</b>   |                        |                        |
| Beginning and end of the Year   | 117.00                 | 117.00                 |
| During the year ended 31st March 2015, the Company has issued 39,00,000 equity shares face value of Rs. 2/- and share premium of Rs. 3/- each. The said premium is credited to Securities Premium account   | <u>117.00</u>          | <u>117.00</u>          |
| <b>(ii) Business Reconstruction Reserve :</b>   |                        |                        |
| Beginning of the year   | -                      | 286.01                 |
| Less: Reduction due to a portion of land sold/Transfer  | -                      | (286.01)               |
| End of the Year   | <u>-</u>               | <u>-</u>               |
| The Hon'ble High Court of Madras vide its order 22nd September, 2010 approved as Scheme of Arrangement between the Company and its Shareholders ("the Scheme"). The Scheme provides that with effect from 1st April, 2009, the Appointed Date, a significant portion of Free hold Land, as the considers relevant and appropriate, was reinstated at their respective fair values as determined by recognized valuers. Consequently the adjustment of such reinstatement was reflected in Business Reconstruction Reserve Account ("BRR"). In subsequent years, due to transfer/sale of such reinstated land, the BRR reversed correspondingly. |                        |                        |
| <b>(iii) General Reserve:</b>   |                        |                        |
| Beginning of the Year   | 1,950.71               | 1,950.71               |
| Add : Transfer from Statement of Profit and Loss  | -                      | -                      |
| End of the Year   | <u>1,950.71</u>        | <u>1,950.71</u>        |
| <b>(iv) Retained Earnings</b>   |                        |                        |
| Beginning of the year   | (1,154.61)             | (886.76)               |
| Add : Profit/(Loss) after Tax   | (731.98)               | (267.85)               |
|   | <u>(1,886.59)</u>      | <u>(1,154.61)</u>      |
| Less: Dividend and dividend tax paid  | -                      | -                      |
|   | <u>(1,886.59)</u>      | <u>(1,154.61)</u>      |
| End of the year   | <u>(1,886.59)</u>      | <u>(1,154.61)</u>      |
| Total   | <u>181.12</u>          | <u>913.10</u>          |
| <b>Note 9 Non-Current Liabilities</b>   |                        |                        |
| <b>Financial Liabilities</b>  |                        |                        |
| <b>9(a) Other financial borrowings</b>  |                        |                        |
| <b>Secured</b>  |                        |                        |
| Deferred payment liabilities  |                        |                        |
| Hire-purchase loan  | 33.10                  | 60.83                  |
| <b>Un-secured</b>   |                        |                        |
| Loans and Advances from related parties   | <u>515.55</u>          | <u>515.58</u>          |
| Nature of Security :  | 548.25                 | 576.41                 |
| Hire purchase loans are secured against vehicles acquired   |                        |                        |
| Terms of Repayment :  |                        |                        |
| Hire purchase loan liabilities and terms to pay last instalment due is on 01.09.2025 and rate of interest is 8.71% per annum.   |                        |                        |
| The Unsecured Loans taken from two wholly owned subsidiary Companies Viz. ATL Textile Processors Ltd and Pee Dee Yarn Processors Ltd as advance on long term funding.   |                        |                        |

**PRIME URBAN DEVELOPMENT INDIA LIMITED**
**Notes to the Financial Statements**

₹ in Lacs

| Particulars  | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| <b>9(b) Other financial liabilities</b>  |                        |                        |
| Due to a Partnership firm in which Company is a partner  | 1,367.54               | 1,269.74               |
|  | 1,367.54               | 1,269.74               |
| <b>Note 10 : Current Liabilities</b>   |                        |                        |
| <b>(a) Current Borrowings</b>  |                        |                        |
| <b>Secured</b>   |                        |                        |
| (i) From Bank  |                        |                        |
| <b>Central Bank of India - Packing Credit - interest rate</b>  |                        |                        |
| Libor +2.00% p.a.  | -                      | 683.92                 |
| (ii) From Others   |                        |                        |
| <b>Un-secured</b>  |                        |                        |
| From Corporates  | 1,482.25               | 1,915.00               |
| From a Director  | 40.50                  | 40.00                  |
| Total Current Borrowings (a)   | 1,522.75               | 2,638.92               |
| Nature of Security :   |                        |                        |
| a The working capital loans from Central Bank of India is closed during the quarter ended 31.3.2020<br>For previous year, Working capital loans from Bank are secured against hypothecation of current assets and further secured by way of second charge over the building of the Company and further guaranteed by three of the Directors of the Company |                        |                        |
| b Loan outstanding in the previous year from a NBFC is secured against the 58,02,925 Equity Shares of Rs. 10/- each in Newline Buildtech Pvt Ltd which is a subsidiary of the Company<br>( Ref Note No. 4(a)(i))   |                        |                        |
| c Unsecured Loan from Corporates, having interest rates ranging between 9% to 12% p.a. payable within one year and loan from a director has interest at the rate of 12% pa and tenure of repayment is 12 months from the date of borrowing.  |                        |                        |
| <b>10 (b) Trade payable</b>  |                        |                        |
| (i) Due to suppliers and service providers<br>(Also refer Note No. 2.02 regarding dues to MSM others)  | 78.33                  | 141.95                 |
| (ii) Due to a Subsidiary Company   | 3,603.55               | 3,961.71               |
| (iii) Due to a AOP in which Company is a Member  | 391.60                 | 394.88                 |
| Sub-total (b)  | 4,073.48               | 4,498.54               |
| <b>10 (c) Other Financial Liabilities</b>  |                        |                        |
| (i) Current maturities of finance lease obligations  | 30.00                  | 24.47                  |
| (ii) Interest accrued but not due on borrowings  | 47.46                  | 5.48                   |
| (iii) Unclaimed dividend *   | 7.86                   | 7.85                   |
| (iv) Security Deposit  | 0.15                   | 13.95                  |
| * Shall transfer when due to IEPF, still not due for transfer  |                        |                        |
| Sub-total (c)  | 85.47                  | 51.75                  |
| <b>11 Other current liabilities</b>  |                        |                        |
| (a) Advance from customers   | 61.00                  | 37.05                  |
| Statutory dues payable   | 6.11                   | 14.54                  |
|  | 67.11                  | 51.59                  |
| (b) Provisions   |                        |                        |
| Provision for employee benefits  | -                      | 20.12                  |
| Sub-total (d)  | -                      | 20.12                  |
| Total  | 5,748.81               | 7,260.92               |





## Notes to the Financial Statements

₹ in Lacs

| Particulars   | As at 31st March, 2020 | As at 31st March, 2019 |
|---|------------------------|------------------------|
| <b>Note 12 : Revenue from operations :</b>                                |                        |                        |
| <b>Textile Segment :</b>  |                        |                        |
| Textiles - Sale of Traded Goods - Cotton Yarn                             | 4,938.02               | 12,785.39              |
| sub-total - textile   | <u>4,938.02</u>        | <u>12,785.39</u>       |
| <b>Realty Segment :</b>   |                        |                        |
| Gain on Sale of Land (net of cost)  | -                      | 9.57                   |
| Sale of Phase II Land   | -                      | 673.99                 |
| Sale of Land - converted into stock in trade                              | 328.11                 | 667.53                 |
| Sale of Villas  | -                      | 900.00                 |
| sub-total - realty  | <u>328.11</u>          | <u>2,251.09</u>        |
| <b>Other Operating Revenue :</b>  |                        |                        |
| Export Incentive  | 75.89                  | 148.08                 |
| Net gain on foreign currency transactions                                 | -                      | 0.70                   |
| sub-total - Other operating revenue                                       | <u>75.89</u>           | <u>148.78</u>          |
| Total   | <u>5,342.02</u>        | <u>15,185.26</u>       |
| <b>Note 13 : Other Income :</b>   |                        |                        |
| Interest income   | 72.22                  | 49.82                  |
| Commission receipts   | -                      | 4.15                   |
| Dividend income   | 4.04                   | 3.64                   |
| Share of Profit of a firm in which the Company is a Partner               | -                      | 11.19                  |
| Liabilities no longer payable written back                                | 26.46                  | 102.65                 |
| Profit on sale of Investments   | 4.75                   | -                      |
| Miscellaneous income  | 0.36                   | 1.75                   |
| Total   | <u>107.83</u>          | <u>173.20</u>          |
| <b>Note 14 : Cost of Land</b>   |                        |                        |
| Cost of Land held as Stock-in-Trade                                       | 107.19                 | 347.41                 |
| Cost of Land  | 60.20                  | -                      |
| Road Laying expenses  | 48.14                  | -                      |
|   | <u>215.53</u>          | <u>347.41</u>          |
| <b>Note 15 : Purchase of Stock-in-Trade :</b>                             |                        |                        |
| Purchase of Traded Goods - Cotton yarn                                    | 4,673.11               | 12,088.20              |
| Cost of Purchases - Realty (Villas & Development Rights)                  | 29.36                  | 133.14                 |
|   | <u>4,702.47</u>        | <u>12,221.34</u>       |
| <b>Note 16 : Changes in Stock of Finished Goods and Stock - in- trade</b> |                        |                        |
| <b>Opening balance:</b>   |                        |                        |
| Stock in Trade  | 52.14                  | 84.82                  |
| Realty Inventory  | 1,225.71               | 2,303.14               |
| (A)   | <u>1,277.85</u>        | <u>2,387.96</u>        |
| <b>Less : Closing balance:</b>  |                        |                        |
| Stock in Trade - Yarn   | -                      | 52.14                  |
| Realty Inventory  | 1,150.23               | 1,225.71               |
| (B)   | <u>1,150.23</u>        | <u>1,277.85</u>        |
| Net Value (A) -(B)  | <u>127.62</u>          | <u>1,110.11</u>        |

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**Notes to the Financial Statements**

₹ in Lacs

| Particulars                                      | As at 31st March, 2020 | As at 31st March, 2019 |
|--|------------------------|------------------------|
| <b>Note 17 : Employee benefits expense</b>       |                        |                        |
| Salary and Wages                                 | 137.58                 | 280.11                 |
| Contribution to provident and other funds        | 4.00                   | 20.94                  |
| Staff welfare expenses                           | 5.58                   | 10.26                  |
| <b>Total</b>                                     | <b>147.16</b>          | <b>311.31</b>          |
| <b>Note 18 : Finance costs</b>                   |                        |                        |
| Interest on Borrowings                           | 216.57                 | 306.98                 |
| Interest others                                  | 8.39                   | 6.52                   |
| <b>Total</b>                                     | <b>224.96</b>          | <b>313.50</b>          |
| <b>Note 19 : Other expenses</b>                  |                        |                        |
| Insurance  | 9.72                   | 15.99                  |
| Rates and taxes                                  | 3.77                   | 19.13                  |
| Sitting Fees                                     | 1.85                   | 2.30                   |
| Electricity                                      | 8.15                   | 9.49                   |
| Rent   | 18.94                  | 15.71                  |
| Repairs - Building                               | 0.61                   | 1.18                   |
| Repairs - others                                 | 9.18                   | 24.57                  |
| Communication Expenses                           | 12.41                  | 17.09                  |
| Travelling and Conveyance                        | 46.33                  | 72.17                  |
| Sales Commission                                 | 54.03                  | 112.67                 |
| Freight and Forwarding                           | 129.95                 | 374.06                 |
| Donation   | 0.08                   | 1.03                   |
| Legal and Professional fees                      | 14.97                  | 21.28                  |
| Auditors Remuneration                            | 1.24                   | 1.15                   |
| Loss on Sale of property, plant and equipment    | 0.88                   | 13.34                  |
| Advances no longer recoverable written off       | 12.00                  | -                      |
| Provision for dimunition in value of Investments | 138.82                 | -                      |
| Share of Loss in Partnership Firm                | 101.77                 | 2.61                   |
| Share of Loss in Association of Persons (AOP)    | 59.96                  | 121.69                 |
| Bank Charges                                     | 24.56                  | 80.09                  |
| Miscellaneous expenses                           | 107.67                 | 366.16                 |
|  | <b>756.89</b>          | <b>1,271.71</b>        |
| <b>Note 20 : Exceptional expenses</b>            |                        |                        |
|  | -                      | -                      |
|  | -                      | -                      |

**21 : Additional information to financial statements****21.01: Contingent liabilities and commitments :**

₹ in Lacs

|  | As at 31 <sup>st</sup><br>March, 2020 | As at 31 <sup>st</sup><br>March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>a. Contingent liabilities (to the extent not provided for)</b>  |                                       |                                       |
| Disputed Tax Demands (Including Interest up to the date of demand)   |                                       |                                       |
| (i)Income Tax<br>(Tax deposits Rs.207.48 lacs ; pr.yr.207.48 lacs)<br>The Income Tax liability for AY 2009-10 for Rs.551.09 lacs is under appeal before the Hon'ble Madras High Court and the High Court has given stay against the order of Income Tax Appellate Tribunal and collection of demand. | 743.09                                | 743.09                                |
| <b>b. Commitments</b>  |                                       |                                       |
| Other money for which the company is contingently liable;<br>Export Documentary bills discounted with Bank (Since Realized- Rs. -- ;<br>Previous year – Rs. 454.88 lacs)   | Nil                                   | 1,003.85                              |

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

₹ in Lacs

| Particulars  | As at 31 <sup>st</sup><br>March, 2020 | As at 31 <sup>st</sup> March,<br>2019 |
|--|---------------------------------------|---------------------------------------|
| (i) Principal amount and Interest due the reon 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                                   |

**21.03: Other Notes**

- In the opinion of the management, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- The accounts of certain Trade Receivables, Trade Payables, Loans & Advances and Banks are however, subject to formal confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current period's financial statements on such reconciliation/adjustments.

**21.04: Auditors Remuneration (excluding service tax/GST):**

₹ in Lacs

|                | 31.03.2020 | 31.03.2019 |
|----------------|------------|------------|
| Audit fees     | 0.90       | 0.90       |
| Tax Audit fees | --         | --         |
| Other fees     | 0.34       | 0.25       |
| Total          | 1.24       | 1.15       |

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### 21.05: Employee Benefit Plans :

Defined contribution plans :

The company contributed to Provident Fund and Gratuity 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 Lacs

| Particulars |                             | 2019-2020 | 2018-2019 |
|-------------|-----------------------------|-----------|-----------|
| a.          | Provident Fund Contribution | 0.62      | 14.02     |
| b.          | Gratuity                    | 1.20      | 6.92      |

#### a. Defined Benefit plan :

##### Gratuity:

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity plan") covering eligible employees. The Gratuity plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under the respective scheme.

#### b. The disclosure in respect of the defined Gratuity Plan are given below:

₹ in Lacs

|     |   | 31.03.2020 | 31.03.2019 |
|-----|---|------------|------------|
| 01. | Assumptions   |            |            |
|     | Discount Rate   | 7.25%      | 7.50%      |
|     | Salary Escalation   | 7.00%      | 7.00%      |
| 02. | Changes in the present value of obligation                |            |            |
|     | Present value of obligation as at beginning of year       | 49.92      | 59.47      |
|     | Interest Cost   | 3.74       | 4.76       |
|     | Current Service Cost                                      | 2.16       | 3.31       |
|     | Benefits paid   | (3.77)     | (10.88)    |
|     | Actuarial Loss/(Gain) on obligations                      | (38.23)    | (6.75)     |
|     | Present value of obligations as at the end of year        | 13.80      | 49.92      |
| 03. | Changes in the fair value of plan assets                  |            |            |
|     | Fair value of plan assets at beginning of year            | 30.36      | 38.17      |
|     | Expected return on plan assets                            | 2.39       | 2.43       |
|     | Contributions   | 0.70       | 0.63       |
|     | Benefits paid   | (3.78)     | (10.88)    |
|     | Actuarial Gain/(Loss) on Plan assets                      | Nil        | Nil        |
|     | Fair value of plan assets at the end of year              | 29.66      | 30.36      |
| 04. | Fair value of plan assets                                 |            |            |
|     | Fair value of plan assets at beginning of the year        | 30.36      | 38.17      |
|     | Actual return on plan assets                              | 2.38       | 2.43       |
|     | Contributions   | 0.70       | 0.63       |
|     | Benefits paid   | (3.77)     | (10.88)    |
|     | Fair value of plan assets at the end of year              | 29.67      | 30.35      |
|     | Funded status   | 15.86      | (19.56)    |
| 05. | Actuarial Gain/Loss recognized                            |            |            |
|     | Actuarial (gain) /Loss for the year – obligation          | 38.23      | (6.75)     |
|     | Actuarial (gain)/Loss for the year – plan assets          | Nil        | Nil        |
|     | Total Loss/ (gain) for the year                           | (38.24)    | (6.75)     |
|     | Actuarial Loss/(Gain) recognized in the year              | (38.24)    | (6.75)     |
| 06. | Amounts recognized in the balance sheet and Profit & Loss |            |            |
|     | Present value of obligations as at the end of the year    | 13.80      | 49.92      |
|     | Fair value of plan assets as at the end of the year       | 29.67      | 30.36      |
|     | Funded status   | 15.86      | (19.56)    |
|     | Net Asset/(Liability) recognized in balance sheet         | 15.83      | (19.56)    |
| 07. | Expenses charged in statement of Profit and Loss          |            |            |
|     | Current Service cost                                      | 2.16       | 3.31       |
|     | Interest Cost   | 3.74       | 4.76       |
|     | Expected return on plan assets                            | (2.38)     | (2.43)     |
|     | Net Actuarial loss/(gain) recognized in the year          | (38.24)    | (6.75)     |
|     | Expenses recognized in statement of Profit and Loss       | (38.24)    | (1.11)     |



- Notes: i. The entire Plan Assets are managed by LIC  
 ii. The expected return on Plan Assets is as furnished by LIC  
 iii. The estimate of future salary increase takes in to account inflation, likely increments, promotions and other relevant factors.

**c. Sensitivity Analysis:**

₹ in Lacs

| Impact on defined benefit obligation | As at 31 <sup>st</sup> March, 2020<br>Increase/(Decrease) in liability | As at 31 <sup>st</sup> March, 2019<br>Increase/(Decrease) in liability |
|--------------------------------------|--|--|
| +1.00% Change in rate of discounting | (0.95)   | (2.39)   |
| -1.00% Change in rate of discounting | 1.06   | 2.69   |
| +1.00% Growth in rate of Salary      | 0.23   | 0.54   |
| -1.00% Growth in rate of Salary      | (0.22)   | (0.47)   |
| +1.00% Change in Attrition Rate      | 0.33   | 1.10   |
| -1.00% Change in Attrition Rate      | (0.36)   | (1.18)   |
| Mortality Rate 10% up                | 0.01   | 0.05   |

**d. The Defined benefit obligation shall mature as follows:**

₹ in Lacs

| Particulars   | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---------------|------------------------------------|------------------------------------|
| Within 1 year | 1.62                               | 7.02                               |
| 1-2 year      | 2.84                               | 1.63                               |
| 2-3 year      | 1.31                               | 15.89                              |
| 3-4 year      | 1.14                               | 3.53                               |
| 4-5 year      | 0.98                               | 0.58                               |
| 6-10 year     | 3.75                               | 2.98                               |

**21.06: Segment Information :**

₹ in Lacs

|    |   | 2019-20  | 2018-2019 |
|----|---|----------|-----------|
| 1  | Segment Revenue:  |          |           |
| a. | Realty  | 328.11   | 2,251.09  |
| b. | Textiles  | 5,013.91 | 12,934.17 |
| 2  | Segment Results :   |          |           |
| a. | Realty  | (473.58) | 14.38     |
| b. | Textiles  | (52.00)  | 50.09     |
|    | Total   | (525.58) | 64.47     |
|    | Less : Interest   | (224.97) | (313.50)  |
|    | Less : Exceptional items                                      | --       | --        |
|    | Less : Un-allocable expenditure                               | (11.72)  | (3.01)    |
|    | Profit/(Loss) before extraordinary items                      | (762.27) | (252.04)  |
|    | Less : Extraordinary items                                    |          | --        |
|    | Profit/(Loss) before tax                                      | (762.27) | (252.04)  |
| 3  | Carrying amount of Segment Assets                             |          |           |
| a. | Realty  | 7,481.59 | 8,786.36  |
| b. | Textiles  | 54.64    | 1,388.52  |
| 4  | Carrying amount of Segment Liabilities                        |          |           |
| a. | Realty  | 7,612.16 | 7,884.03  |
| b. | Textiles  | 52.44    | 1,223.04  |
| 5  | Cost incurred to acquire Segment Fixed Assets during the year |          |           |
| a. | Realty  | 4.57     | 80.80     |
| b. | Textiles  |          | --        |
| 6  | Depreciation and amortization expenses                        |          |           |
| a. | Realty  | 37.49    | 35.12     |
| b. | Textiles  | --       | --        |

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### 21.07: Disclosure in respect of related parties pursuant to Ind AS 24

List of Related Parties and nature of relationships:

₹ in Lacs

|  |  |   |
|--|--|---|
|  | Wholly owned subsidiaries :                        | ATL Textile Processors Limited<br>Manoj Yarn Processors Limited<br>Pee Dee Yarn Processors Limited<br>Patodia Developers Pvt Ltd<br>Srivarsha Realtors Pvt Ltd<br>Newline Buildtech Pvt Ltd   |
| With whom transactions have been entered in to : |  |   |
| (i)  | Associates   | Prime Developers<br>Prime New line AOP<br>Prime Mall Developers<br>Prime Hitech Textiles LLP<br>Prime Urban Developers<br>(w.e.f. 11.10.2018)<br>Prathan City Developers LLP<br>(w.e.f. 02.04.2019)   |
| (ii)   | Key Managerial Personnel                           | Mr. Purusottam Das Patodia<br>Chairman & Managing Director<br>Mr. Manoj Kumar Patodia<br>Vice Chairman & Managing Director<br>Mr. Anuj Patodia<br>Managing Director<br>Mr. T. Paul Sugumaran,<br>Wholetime Director (upto 31.05.2019)<br>Mr. S. Udayananda<br>GM (Finance) and CFO<br>Ms. Darshi Shah<br>Company Secretary & Compliance Officer |
| (iii)  | Enterprises having Common Key Management Personnel | Pat Credit Limited<br>Anjana Syntex Co. Limited<br>Patodia Overseas Exports LLP   |
| (iv)   | Relatives of Key Managerial Personnel              | Mrs. Indiradevi Patodia<br>Wife of Mr. Purusottam Das Patodia<br>Mrs. Nandita Patodia<br>Wife of Mr. Manoj Kumar Patodia<br>Mrs. Meenal Patodia<br>Wife of Mr. Anuj Patodia   |


**Transactions with related parties in the ordinary course of business :**

₹ in Lacs

| Nature of Transaction                       | Subsidiary Companies | Associates          | Key Managerial Personnel | Enterprises /Relatives of Key Managerial Personnel | Total                 |
|---|----------------------|---------------------|--------------------------|--|-----------------------|
| Services received (Civil contracts)         | 68.15<br>(186.79)    |                     |                          |  | 68.15<br>(186.79)     |
| Interest Paid                               |                      |                     | 4.90<br>(--)             | 11.84<br>(--)                                      | 16.74<br>(--)         |
| Interest received                           |                      |                     |                          | 73.83<br>(--)                                      | 73.83<br>(--)         |
| Sale of goods                               |                      |                     |                          | 78.34<br>(--)                                      | 78.34<br>(--)         |
| Purchase of goods                           |                      |                     |                          | 39.17<br>(--)                                      | 39.17<br>(--)         |
| Rent received                               | -                    | 0.36<br>(0.29)      | --                       | --   | 0.36<br>(0.29)        |
| Share of Profit/(Loss) from firms:-         |                      |                     |                          |  |                       |
| a. Prime Developers                         |                      | (4.88)<br>(11.19)   |                          |  | (4.88)<br>(11.19)     |
| b. Prime Newline AOP                        |                      | (59.95)<br>(121.69) |                          |  | (59.95)<br>(121.69)   |
| c. Prime Mall Developers                    |                      | (3.28)<br>(2.31)    |                          |  | (3.28)<br>(2.31)      |
| d. Prime Urban Developers                   |                      | (68.32)             |                          |  | (68.32)               |
| e. Prathan City Developers LLP              |                      | (0.30)<br>(25.31)   |                          |  | (0.30)<br>(25.31)     |
|   |                      | --                  |                          |  | --                    |
| Remuneration Paid                           | -                    |                     |                          | 1.79<br>(1.67)                                     | 1.79<br>(1.67)        |
| a. Mr. Purusottamdas Patodia                |                      |                     | 14.80<br>(55.08)         |  | 14.80<br>(55.08)      |
| b. Mr. Manoj Kumar Patodia                  |                      |                     | 14.08<br>(41.70)         |  | 14.08<br>(41.70)      |
| c. Mr. Anuj Patodia                         |                      |                     | 14.76<br>(39.88)         |  | 14.76<br>(39.88)      |
| d. Mr. T. Paul Sugumaran (up to 31.05.2019) |                      |                     | 3.35<br>(23.45)          |  | 3.35<br>(23.45)       |
| e. Mr. S. Udayananda                        |                      |                     | 13.42<br>(13.42)         |  | 13.42<br>(12.84)      |
| f. Mr. Krunal Shah (up to 30.9.2019)        |                      |                     | 6.63<br>(11.76)          |  | 6.63<br>(11.76)       |
| g. Darshi Shah (w.e.f. 1.9.2019)            |                      |                     | 6.36<br>(--)<br>73.40    |  | 6.36<br>(--)<br>73.40 |
| <b>Total</b>                                |                      |                     | <b>(185.29)</b>          |  | <b>(185.29)</b>       |

Balance as on 31.3.2020

| <b>Amount Payable:</b>      |                        |                        |  |  |                        |
|-----------------------------|------------------------|------------------------|--|--|------------------------|
| ATL Textile Processors Ltd. | 512.63<br>(512.86)     |                        |  |  | 512.63<br>(512.86)     |
| Peedee Yarn Processors Ltd  | 2.51<br>(2.72)         |                        |  |  | 2.51<br>(2.72)         |
| Prime Mall Developers       |                        | 1,272.99<br>(1,269.74) |  |  | 1,272.99<br>(1,269.74) |
| Srivarsha Realtors Pvt Ltd  | 2.30<br>(--)           |                        |  |  | 2.30<br>(--)           |
| Prime Newline AOP           |                        | 391.60<br>(394.88)     |  |  | 391.60<br>(394.88)     |
| Newline Buildtech Pvt Ltd   | 3,601.25<br>(3,961.71) |                        |  |  | 3,601.25<br>(3,961.71) |
| <b>Amount Receivable:</b>   |                        |                        |  |  |                        |
| Manoj Yarn Processors Ltd.  | 9.20<br>(9.00)         |                        |  |  | 9.20<br>(9.00)         |
| Prime Urban Developers      |                        | 287.77<br>(210.41)     |  |  | 287.77<br>(210.41)     |
| Prathan City Developers LLP |                        | 318.69<br>(--)         |  |  | 318.69<br>(--)         |
| Prime Developers            |                        | 131.87<br>(165.54)     |  |  | 131.87<br>(165.54)     |

(figures in bracket represent previous year's)

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### 21.08: Details of Lease arrangements :

- a. The Company has entered into finance lease arrangements for vehicles and future minimum lease payments and minimum lease payments are as follows :

₹ in Lacs

| Due                               | Total Minimum Lease Payments Outstanding | Future Interests on Outstanding | Present value of Minimum Lease Payments |
|-----------------------------------|--|---------------------------------|---|
| 1. Within one year                | <b>24.84</b><br>(37.18)                  | <b>4.56</b><br>(7.18)           | <b>20.28</b><br>(30.00)                 |
| 2. Between one year to five years | <b>47.16</b><br>(61.38)                  | <b>8.22</b><br>(11.94)          | <b>38.94</b><br>(49.44)                 |
| 3. More than five years           | <b>5.22</b><br>(15.86)                   | <b>0.09</b><br>(0.93)           | <b>5.13</b><br>(14.93)                  |
| Total                             | <b>77.22</b><br>(114.42)                 | <b>12.87</b><br>(20.05)         | <b>64.35</b><br>(94.37)                 |

Figures in bracket are of previous year

- b. The Company has taken premise under cancellable operating lease. These lease agreement is normally renewed on expiry. The rental expenditure is accounted for in statement of Profit and Loss of the Company in accordance with Ind AS 17 on lease transactions.

### 21.09: Earnings Per Share :

₹ in Lacs

| Particulars  | 2019-2020   | 2018-2019   |
|--|-------------|-------------|
| a. Profit/(Loss) after tax excluding exceptional items | (759.50)    | (278.46)    |
| b. Less : Exceptional items                            | --          | --          |
| c. Profit/(Loss) after tax including exceptional items | (759.50)    | (278.46)    |
| d. Number of Equity shares outstanding                 | 266,43,600  | 266,43,600  |
| e. Basic/Diluted Earnings Per Share (EPS) :            |             |             |
| - EPS excluding exceptional items (a/d)                | (2.85)      | (1.05)      |
| - EPS including exceptional items (c/d)                | (2.85)      | (1.05)      |
| f. Face value per share – in Rs.                       | 2 per share | 2 per share |

### 21.10: Income tax/DT reconciliation note:

#### Deferred Tax Asset/(Liability):

Timing difference comprises of :

₹ in Lacs

| Deferred Tax Asset                                     | 31.03.2020 | 31.03.2019 |
|--|------------|------------|
| 1. Expenses covered by 43B                             | --         | 5.60       |
| 2. Carry forward Unabsorbed depreciation/Business Loss | 235.53     | 389.35     |
| 3. Depreciation  | 0.31       | --         |
| Total  | 235.84     | 394.95     |
| Deferred Tax Liability                                 |            |            |
| 1. Depreciation  | --         | (0.29)     |
| Total  | --         | (0.29)     |
| Net Deferred Tax Asset/(Liability)                     | 235.84     | 395.24     |

As a matter of the commercial prudence, deferred tax asset due to timing difference is not considered in the accounts.

#### Deferred Tax Assets /(Liability)

| Particulars                         | 31.03.2020 | 31.03.2019 | 01.04.2018 |
|-------------------------------------|------------|------------|------------|
| Opening Balance                     | 14.58      | 14.57      | 5.72       |
| Recognized in Profit and Loss       | --         | --         | --         |
| MAT Credit entitlement              | --         | 0.01       | 8.85       |
| Net Deferred Tax Assets/(Liability) | 14.58      | 14.58      | 14.57      |





## **21.11: Capital Management Note:**

### **Risk Management Note:**

The Company's aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders.

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

## **21.12. Disclosure with regard to liquidity risk, Interest rate sensitivity, fair value matrix as per Ind AS**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is hardly much exposed to market risk, interest rate risk, credit risk and liquidity risk. The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors under the broad parameters;

### **i) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate due to change in market price. The value of a financial instruments may change as result of change in interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including payable, deposits, loans & borrowings. The Company management evaluates and exercise control over process of market risk management. The Board recommends risk management objective and policies which includes management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies. The Company assumes that the sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

### **ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with interest rates.

The Company manages its interest rate risk by having a portfolio of loans and borrowings. In order to optimize the Company's position with regards to interest income and interest expense, the Company performs a comprehensive corporate interest rate risk by using different type of economic product of floating rate of borrowings in its total portfolio.

#### **Interest rate sensitivity**

In view of any inadequate expose to disruptive borrowings, there is hardly any possible change in interest rates on that portion of borrowings. With all other variables held constant, the companies profit/(loss) before tax is hardly affected through the impact on interest rate borrowings.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **iii) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 2,014.85 lakhs, INR 613.86 lakhs as of 31 March 2019, 31 March 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Accordingly in terms of Ind AS 109, the company does not foresee any expected credit loss.

#### **Credit Risk Management :**

##### **Financial instruments and cash deposits**

The Company maintains exposure in cash and cash equivalents and term deposits with banks. The Company has investment with a Mutual Fund which has a good track record and reputation and hence there is hardly any risk to be reported. The Company assumes that the sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

##### **Trade receivables and other financial assets**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Other financial assets are security deposits. Credit risk has been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company does not foresee any expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix and forward looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. There are no significant credit risk pertaining to financial assets.

### **iv) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, company's finance team maintains flexibility in funding by maintaining availability under committed credit lines.



## Independent Auditors' Report on Consolidated Financial Statements

**To the Members of Prime Urban Development India Limited**  
**Report on the Consolidated Financial Statements**

**Opinion:**

1. We have audited the accompanying consolidated financial statements of Prime Urban Development India Ltd (the "Holding Company"), and its subsidiaries and associates (collectively referred to as "the company or the Group") which comprise the consolidated balance sheet as at 31st March, 2020, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated cash flow statement and, the consolidated statement of changes in equity and the Statement of cashflows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "Consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements for the year ended 31st March, 2020 give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion:**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the **Consolidated** financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters:**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Sr. No. | Key Audit Matters  | Auditor's Response  |
|---------|--|---|
| 1       | Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)" | <p><u>Principal Audit Procedures</u></p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>As per Ind AS 115 "Revenue from Contracts with Customers" An entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.</p> <p>It is probable that entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.</p> |

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **Management's Responsibility for the Consolidated Financial Statements:**

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Consolidated) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:**

8. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - (i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - (v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Other Matter:**

- 13 We did not audit the financial statements of subsidiary's and associate's included in the Consolidated year to date results, whose financial statements reflect total assets of Rs. 4112.88 lakhs as at 31st March 2020 and the total revenue of Rs. 222.89 lakhs and net loss of Rs 190.32 lakhs. These financial statements and other financial information have been audited by the other auditors whose reports have been furnished to us, by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of sub-section (3) Section 143 of the Act, in so far as it relates to aforesaid subsidiaries and associates, is based solely on the reports of the auditors.
- 14 Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements:**

- 15 As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on separate/consolidated financial statements and other financial information of the subsidiaries and associates, we report to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
  - c) The consolidated financial statements dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements.
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the Directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiaries covered under the Act and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - g) In our opinion, According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided for managerial remuneration for the year ended on March 31, 2020 has paid/provided by the Company to its directors in accordance with the provisions of the section 197 of the Act read with Schedule V to the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements/consolidated financial statements as also the other financial information of the subsidiaries and associates:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
    - ii. The Group has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

For L.U.Krishnan & Co.  
Chartered Accountants  
FRN – 001527S

P.K.Manoj  
Partner  
Membership No.207550

Place: Chennai  
Date: 29.06.2020

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### Annexure - A to the Independent Auditors' Report

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Prime Urban Development India Ltd ("the Company") as at 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended and as at on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects, with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that,

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to financial statements.

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For L.U.Krishnan & Co.  
Chartered Accountants  
FRN – 001527S

P.K.Manoj  
Partner  
Membership No.207550

Place: Chennai  
Date: 29.06.2020



## CONSOLIDATED BALANCE SHEET

₹ in Lacs

| Particulars  | Note                     | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
|--|--------------------------|---------------------------|---------------------------|
| <b>I. ASSETS</b>   |                          |                           |                           |
| <b>(1) Non-current assets</b>  |                          |                           |                           |
| a) Property, plant and equipment   | 3                        | 668.63                    | 762.78                    |
|  |                          | <u>668.63</u>             | <u>762.78</u>             |
| b) Financial Assets  |                          |                           |                           |
| (i) Other investments  | 4(a)                     | 5.00                      | 5.00                      |
| (ii) Other financial assets  | 4(b)                     | 33.00                     | 17.17                     |
| (iii) Long-term loans and advances   | 4(c)                     | 5.50                      | 7.50                      |
| c) Deferred tax asset  |                          | 15.76                     | 15.84                     |
|  | Total Non-current assets | <u>59.26</u>              | <u>45.51</u>              |
|  |                          | <u>727.89</u>             | <u>808.29</u>             |
| <b>(2) Current assets</b>  |                          |                           |                           |
| a) Inventories   | 5                        | 2,351.34                  | 1,901.85                  |
| b) Financial Assets  |                          |                           |                           |
| (i) Trade receivables  | 4(d)                     | 58.47                     | 2,074.64                  |
| (ii) Cash and cash equivalents   | 4(e)                     | 65.70                     | 96.79                     |
| (iii) Bank balances other than above   | 4(f)                     | 12.29                     | 20.56                     |
| (iv) Loans to corporates   | 4(g)                     | 150.00                    | 150.00                    |
| (v) Loans to others  | 4(h)                     | 231.62                    | -                         |
| Current Tax Assets (Net)   | 6                        | 234.17                    | 224.26                    |
| Other current assets   | 7                        | 434.23                    | 641.13                    |
|  | Total Current Assets     | <u>3,537.82</u>           | <u>5,109.23</u>           |
|  | Total Assets             | <u>4,265.71</u>           | <u>5,917.52</u>           |
| <b>EQUITY AND LIABILITIES</b>  |                          |                           |                           |
| <b>EQUITY</b>  |                          |                           |                           |
| a) Equity Share Capital  | 8(a)                     | 532.87                    | 532.87                    |
| b) Other Equity  | 8(b)                     | (229.49)                  | 544.63                    |
|  | Total Equity             | <u>303.38</u>             | <u>1,077.50</u>           |
| <b>LIABILITIES</b>   |                          |                           |                           |
| <b>1 Non-current liabilities</b>   |                          |                           |                           |
| a) Financial Liabilities   |                          |                           |                           |
| Borrowings   | 9(a)                     | 33.11                     | 60.83                     |
|  |                          | <u>33.11</u>              | <u>60.83</u>              |
| <b>2 Current liabilities</b>   |                          |                           |                           |
| a) Financial Liabilities   |                          |                           |                           |
| Borrowings   | 10(a)                    | 2,211.02                  | 3,148.42                  |
| Total outstanding dues to Micro enterprises and small enterprises                      |                          | -                         | -                         |
| Total outstanding dues to creditors other than micro enterprises and small enterprises | 10(b)                    | 78.86                     | 142.48                    |
| Other financial liabilities  | 10(c)                    | 1,454.36                  | 1,415.10                  |
| b) Other current liabilities   | 11(b)                    | 184.83                    | 53.08                     |
| c) Provisions  | 11(a)                    | 0.15                      | 20.11                     |
|  |                          | <u>3,929.22</u>           | <u>4,779.19</u>           |
|  | Total                    | <u>4,265.71</u>           | <u>5,917.52</u>           |

As per our report of even date attached

For **L.U.Krishnan & Co**  
Chartered Accountants  
FRN 001527S

**P.K.Manoj**  
Partner M.No.207550

Place : Mumbai  
Date : 29.06.2020

**Manoj Kumar Patodia**  
Vice Chairman & Managing Director  
(Din No: 00026455)

**S.Udayananda**  
GM(Finance) & CFO

For and on behalf of the Board  
**Purusottamdas Patodia**  
Chairman & Managing Director  
(Din 00032088)

**Darshi Shah**  
Company Secretary & Compliance Officer

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS**

₹ in Lacs

| Particulars   | Note | Year Ended<br>31st March, 2020 | Year Ended<br>31st March, 2019 |
|---|------|--------------------------------|--------------------------------|
| <b>Income</b>   |      |                                |                                |
| 1 Revenue from operations   | 12   | 5,236.81                       | 15,190.06                      |
| 2 Other income  | 13   | 109.34                         | 164.30                         |
| 3 <b>Total Revenue (1 + 2)</b>  |      | <u>5,346.15</u>                | <u>15,354.36</u>               |
| <b>4 Expenses</b>   |      |                                |                                |
| (a) Cost of Land sold   | 14   | 215.53                         | 347.41                         |
| (b) Purchase of Stock-in-trade  | 15   | 5,229.16                       | 12,388.64                      |
| (c) Changes in inventories of finished goods and Stock-in-trade         | 16   | (555.87)                       | 1,090.11                       |
| (d) Employee benefits expenses  | 17   | 223.54                         | 337.32                         |
| (e) Finance cost  | 18   | 324.46                         | 354.84                         |
| (f) Depreciation and amortisation expenses                              |      | 40.62                          | 38.83                          |
| (g) Other expenses  | 19   | 519.23                         | 1,071.97                       |
| Total expenses (a to g)   |      | <u>5,996.67</u>                | <u>15,629.12</u>               |
| 5 Profit/( Loss) before exceptional and extraordinary items and tax     |      | (650.52)                       | (274.76)                       |
| 6 Exceptional items   | 20   | -                              | -                              |
| 7 Profit/(Loss) before extraordinary items and tax                      |      | <u>(650.52)</u>                | <u>(274.76)</u>                |
| 8 Extraordinary items   |      | -                              | -                              |
| 9 Profit/(Loss) before tax  |      | <u>(650.52)</u>                | <u>(274.76)</u>                |
| Profit/(Loss) of the Group  |      | <u>(650.52)</u>                | <u>(274.76)</u>                |
| 10 Tax expense :  |      |                                |                                |
| (a) Current Tax   |      | (0.05)                         | (11.09)                        |
| (b) MAT   |      | (0.02)                         | 0.09                           |
| (c) Tax for Prior year's  |      | 2.77                           | (18.86)                        |
| (d) Deferred Tax  |      | (0.41)                         | 1.78                           |
| 11 Profit/( Loss) for the year  |      | <u>(648.23)</u>                | <u>(302.84)</u>                |
| Other Comprehensive Income  |      |                                |                                |
| 12 Items that will not be reclassified to Profit or Loss                |      |                                |                                |
| Impact on remeasurement of post employment obligation                   |      | 27.52                          | 10.61                          |
| Total Comprehensive Income / (Loss) for the Year                        |      | <u>(620.71)</u>                | <u>(292.23)</u>                |
| 13 Earnings Per Equity Share :  |      |                                |                                |
| Basic/Diluted Earnings Per Share before exceptional/extraordinary items |      | (2.43)                         | (1.14)                         |
| Basic/Diluted Earnings Per Share after exceptional/extraordinary items  |      | (2.43)                         | (1.14)                         |
| (Face value of Rs. 2 each)  |      |                                |                                |

As per our report of even date attached

For **L.U.Krishnan & Co**  
Chartered Accountants  
FRN 001527S

**P.K.Manoj**  
Partner M.No.207550

Place : Mumbai  
Date : 29.06.2020

**Manoj Kumar Patodia**  
Vice Chairman & Managing Director  
(Din No: 00026455)

**S.Udayananda**  
GM(Finance) & CFO

**For and on behalf of the Board**  
**Purusottamdas Patodia**  
Chairman & Managing Director  
(Din 00032088)

**Darshi Shah**  
Company Secretary & Compliance Officer





## CONSOLIDATED STATEMENT OF CASH FLOWS

₹ in Lacs

| Particulars  | Year Ended<br>31st March, 2020 | Year Ended<br>31st March, 2019 |
|--|--------------------------------|--------------------------------|
| <b>A. Cash Flow from Operating Activities</b>  |                                |                                |
| Net Profit/(Loss) before tax, exceptional items and after other comprehensive income | (623.00)                       | (264.15)                       |
| Adjustments for:   |                                |                                |
| Depreciation and amortisation expenses   | 40.62                          | 38.83                          |
| Provision for diminution in value of Investment in Subsidiary companies              | (138.82)                       | -                              |
| Unrealised Profit on Intra group transactions  | 14.59                          | (3.54)                         |
| Bad debts written off  | 29.13                          | 34.50                          |
| (Profit)/ Loss on sale of property, plant and equipment (net)                        | 0.88                           | 13.34                          |
| Interest income  | (73.73)                        | (51.79)                        |
| Dividend Income  | (4.04)                         | (3.64)                         |
| Finance Cost   | 316.06                         | 348.32                         |
| <b>Operating profit before working capital changes</b>                               | <b>(467.48)</b>                | <b>111.87</b>                  |
| Changes in Working Capital:  |                                |                                |
| Increase / (Decrease) in trade payables  | (63.62)                        | (48.67)                        |
| Increase / (Decrease) in provisions  | (19.96)                        | (4.67)                         |
| Increase / (Decrease) in other financial liabilities                                 | 39.26                          | (25.56)                        |
| Increase / (Decrease) in other current liabilities                                   | 131.75                         | 23.11                          |
| (Increase) / Decrease in margin money and unpaid dividend                            | 8.27                           | (0.94)                         |
| (Increase) / Decrease in trade receivables   | 1,987.04                       | (1,196.45)                     |
| (Increase) / Decrease in inventories   | (449.49)                       | 1,436.50                       |
| (Increase) / Decrease in short term loans and advances                               | (231.61)                       | 125.00                         |
| (Increase) / Decrease in other financial assets                                      | (15.83)                        | (3.61)                         |
| (Increase) / Decrease in other current assets  | 206.90                         | (239.84)                       |
| (Increase) / Decrease in long term loans and advances                                | 2.00                           | 65.50                          |
| <b>Cash Generated from Operations</b>  | <b>1,127.22</b>                | <b>243.24</b>                  |
| Taxes paid (net of refunds)  | (7.55)                         | (57.35)                        |
| <b>Net cash generated from operations before exceptional items</b>                   | <b>1,119.67</b>                | <b>185.89</b>                  |
| Exceptional items  | -                              | -                              |
| <b>Net cash generated from operating activities</b>                                  | <b>1,119.67</b>                | <b>185.89</b>                  |
| <b>B. Cash flow from Investing Activities:</b>                                       |                                |                                |
| Purchase of property, plant and equipment/intangible assets                          | (9.30)                         | (81.14)                        |
| Sale of tangible/intangible assets   | 61.95                          | 19.03                          |
| Interest received  | 73.73                          | 51.79                          |
| Dividend received  | 4.04                           | 3.64                           |
| Sale/ (Purchase) of non-current investments  | -                              | 765.19                         |
| <b>Net cash from investing activities</b>  | <b>130.42</b>                  | <b>758.51</b>                  |
| <b>C. Cash flow from Financing Activities</b>  |                                |                                |
| Finance Cost   | (316.06)                       | (348.32)                       |
| Increase / (Decrease) in short term borrowings                                       | (937.39)                       | (754.84)                       |
| Proceeds from Long Term borrowings   | (27.72)                        | 19.41                          |
| <b>Net cash used in Financing Activities</b>   | <b>(1,281.17)</b>              | <b>(1,083.75)</b>              |
| <b>Net increase in cash and Cash equivalents</b>                                     | <b>(31.09)</b>                 | <b>(139.35)</b>                |
| Cash and Cash Equivalents at the beginning of the year                               | 96.79                          | 236.14                         |
| <b>Cash and Cash equivalents at the end of the year</b>                              | <b>65.70</b>                   | <b>96.79</b>                   |
| <b>Reconciliation of Cash and Cash equivalents with the Balance sheet</b>            |                                |                                |
| Cash and Cash equivalents as per Balance Sheet                                       | 77.99                          | 117.35                         |
| Less : Bank Balances not considered as Cash and Cash equivalents                     |                                |                                |
| Margin Money Deposit   | -                              | -                              |
| Unpaid dividend  | 7.86                           | 7.86                           |
| Other Deposits   | 4.44                           | 12.70                          |
| Net Cash and Cash equivalents at the year end  | 65.70                          | 96.79                          |

As per our report of even date attached

For **L.U.Krishnan & Co**

Chartered Accountants

FRN 001527S

**P.K.Manoj**

Partner M.No.207550

Place : Mumbai

Date : 29.06.2020

**Manoj Kumar Patodia**

Vice Chairman & Managing Director

(Din No: 00026455)

**S.Udayananda**

GM(Finance) & CFO

For and on behalf of the Board

**Purusottamdas Patodia**

Chairman & Managing Director

(Din 00032088)

**Darshi Shah**

Company Secretary & Compliance Officer

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### Note 1 & 2

#### Significant Accounting Policies (Consolidated financial statements)

##### 1. a. Group overview

The consolidated financial statements comprise financial statements of Prime Urban Development India Limited, Parent Company and its subsidiary and its associates (hereinafter referred as "the Group")

The Prime Urban Development India Limited ("the Company") is public limited company incorporated and domiciled in India and has registered office at No.83, Site No.4, 3rd floor, Near Petrol Bunk, Avinashi Road, Gandhinagar Post, Tirupur Tamil Nadu. It is incorporated under the Indian Companies Act, 1913 and its shares are listed on the Bombay Stock Exchange.

The Company is having business of Realty and textile.

##### b. Group Structure:

|      | Nature of holding         | Name of the Company/Firm/AOP                  | Percentage of Holding |
|------|---------------------------|---|-----------------------|
| (i)  | Wholly owned subsidiaries | ATL Textile Processors Limited                | 100%                  |
|      |                           | Manoj Yarn Processors Limited                 | 100%                  |
|      |                           | Pee Dee Yarn Processors Limited               | 100%                  |
|      |                           | Patodia Developers Pvt Ltd                    | 100%                  |
|      |                           | Srivarsha Realtors Pvt Ltd                    | 60%                   |
|      |                           | Newline Buildtech Pvt Ltd                     | 100%                  |
| (ii) | Associates                | Prime Developers                              | 50%                   |
|      |                           | Prime New line AOP                            | 75%                   |
|      |                           | Prime Mall Developers                         | 50%                   |
|      |                           | Prime Urban Developers<br>(w.e.f. 11.10.2018) | 67%                   |
|      |                           | Prathan City Developers<br>(w.e.f 02.04.2019) | 67%                   |

## 2 Significant Accounting Policies:

### 2.01: Basis of Accounting:

#### (i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) Amendment Rules, 216 and other relevant provisions of the Act.

#### (ii) Historical Cost Convention :

The financial statements have been prepared on an accrual basis and under the historical cost convention except for the following :

- certain financial assets and liabilities that are measured at fair value;
- assets held for sale – measured at lower of cost to sell;
- defined benefit plans – plan assets measured at fair value;

#### (iii) Classification of assets and liabilities :

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

#### (iv) Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### 2.02: 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.



### 2.03: Consolidation procedure:

The financial statements of the Company, its subsidiary companies and Firms in which the Company is having significant influence to the ratio of the share of interest of the Company in the said firms have been combined on a line-by-line basis by adding together the book value of like items of assets and liabilities and income and expenditure after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profit 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 2020, the reporting date.

### 2.04: Provisions and Contingent Liabilities :

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### 2.05: Other Significant Accounting Policies:

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

---

As per our report of even date annexed  
For **L.U.Krishnan & Co**  
Chartered Accountants  
FRN 001527S

**Manoj Kumar Patodia**  
Vice Chairman & Managing Director  
(DIN No.: 00026455)

For and on behalf of the Board  
**Purusottamdas Patodia**  
Chairman & Managing Director  
(DIN No.: 00032088)

**P.K.Manoj**  
Partner M.No.207550

Place : Mumbai  
Date : 29.06.2020

**S.Udayananda**  
GM(Finance) and CFO

**Darshi Shah**  
Company Secretary & Compliance Officer

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**Notes to the Financial Statements (Consolidated)**

**Consolidated Statement of Changes in Equity for the Year Ended 31st March, 2020**

|  | Balance as at April 01, 2018 | Changes in Equity Share Capital during the year | Balance as at April 01, 2019 | Changes in Equity Share Capital during the year | Balance as at March 31, 2020 |
|--|------------------------------|---|------------------------------|---|------------------------------|
| <b>EQUITY SHARE CAPITAL</b>  |                              |   |                              |   |                              |
| Paid up Capital (Equity shares of Rs.2/- each issued, subscribed & fully paid up | 532.87                       | -   | 532.87                       | -   | 532.87                       |

₹ in Lacs

**OTHER EQUITY**

| Particulars  | Capital Reserve | Securities Premium | General Reserve | Retained Earnings | Other Comprehensive Income/Expenses | Total    |
|--|-----------------|--------------------|-----------------|-------------------|-------------------------------------|----------|
| <b>Balance as at April 01, 2018</b>                                    | 148.13          | 117.00             | 1,950.71        | (1,360.37)        | (15.07)                             | 840.40   |
| Profit/(Loss) for the Year   | -               | -                  | -               | (302.84)          | -                                   | (302.84) |
| Transfer from Retained Earnings  | -               | -                  | -               | -                 | -                                   | -        |
| Provisio for diminution in value of Investment in Subsidiary Companies | (138.82)        | -                  | -               | -                 | -                                   | (138.82) |
| Reduction due to a portion of land sold/transfer                       | -               | -                  | -               | -                 | -                                   | -        |
| Other Comprehensive Income for the year                                | -               | -                  | -               | -                 | 10.61                               | 10.61    |
| Dividend and dividend tax for the year                                 | -               | -                  | -               | -                 | -                                   | -        |
| Unrealised Gain on Intra-group transactions                            | -               | -                  | -               | (3.54)            | -                                   | (3.54)   |
| Capital Reserve for the year   | -               | -                  | -               | -                 | -                                   | -        |
| <b>Balance as at March 31, 2019</b>                                    | 9.31            | 117.00             | 1,950.71        | (1,666.75)        | (4.46)                              | 405.81   |
| Profit/(Loss) for the Year   | -               | -                  | -               | (648.23)          | -                                   | (648.23) |
| Reduction due to a portion of land sold/transfer                       | -               | -                  | -               | -                 | -                                   | -        |
| Unrealised Gain on Intra-group transactions                            | -               | -                  | -               | (14.59)           | -                                   | (14.59)  |
| Other Comprehensive Income for the year                                | -               | -                  | -               | -                 | 27.52                               | 27.52    |
| Capital Reserve for the year   | -               | -                  | -               | -                 | -                                   | -        |
| <b>Balance as at March 31, 2020</b>                                    | 9.31            | 117.00             | 1,950.71        | (2,329.57)        | 23.06                               | (229.49) |

### Notes to Consolidated Financial Statements for the Year Ended 31st March, 2020

Note 3: Property, plant and equipment

₹ in Lacs

| Particulars                                     | Freehold Land | Buildings     | Plant and equipment | Furniture and fixtures | Vehicles      | Total           |
|---|---------------|---------------|---------------------|------------------------|---------------|-----------------|
| <b>Year Ended March 31, 2019</b>                |               |               |                     |                        |               |                 |
| Gross Block 01.04.2018                          | 307.25        | 301.76        | 43.88               | 159.70                 | 214.82        | 1,027.41        |
| Additions                                       | -             | -             | -                   | 14.30                  | 66.84         | 81.14           |
| Disposals                                       | -             | -             | -                   | (9.07)                 | (37.74)       | (46.81)         |
| Transfers                                       | -             | -             | -                   | -                      | -             | -               |
| <b>Closing Gross Carrying Amount</b>            | <b>307.25</b> | <b>301.76</b> | <b>43.88</b>        | <b>164.93</b>          | <b>243.92</b> | <b>1,061.74</b> |
| <b>Accumulated Depreciation</b>                 |               |               |                     |                        |               |                 |
| Accumulated Depreciation 01.04.2018             | -             | 15.08         | 5.85                | 145.32                 | 108.31        | 274.56          |
| Depreciation charge during the year             | -             | 4.92          | -                   | 9.04                   | 24.87         | 38.83           |
| Disposals                                       | -             | -             | -                   | (1.55)                 | (12.88)       | (14.43)         |
| <b>Closing Accumulated Depreciation</b>         | <b>-</b>      | <b>20.00</b>  | <b>5.85</b>         | <b>152.81</b>          | <b>120.30</b> | <b>298.96</b>   |
| <b>Net Carrying Amount 31.3.2019</b>            | <b>307.25</b> | <b>281.76</b> | <b>38.03</b>        | <b>12.12</b>           | <b>123.62</b> | <b>762.78</b>   |
| <b>Year ended March 31, 2020</b>                |               |               |                     |                        |               |                 |
| Balance as at 01.04.2019- Gross carrying amount | 307.25        | 301.76        | 43.88               | 164.93                 | 243.92        | 1,061.74        |
| Additions                                       | -             | -             | 4.73                | 4.58                   | -             | 9.30            |
| Disposals                                       | (60.20)       | -             | -                   | -                      | (3.64)        | (63.84)         |
| Transfers                                       | -             | -             | -                   | -                      | -             | -               |
| <b>Closing Gross Carrying Amount</b>            | <b>247.05</b> | <b>301.76</b> | <b>48.61</b>        | <b>169.51</b>          | <b>240.28</b> | <b>1,007.20</b> |
| <b>Accumulated Depreciation</b>                 |               |               |                     |                        |               |                 |
| Opening Accumulated Depreciation                | -             | 20.00         | 5.85                | 152.81                 | 120.30        | 298.96          |
| Depreciation charge during the year             | -             | 4.92          | -                   | 9.43                   | 26.27         | 40.62           |
| Disposals                                       | -             | -             | -                   | -                      | (1.01)        | (1.01)          |
| <b>Closing Accumulated Depreciation</b>         | <b>-</b>      | <b>24.92</b>  | <b>5.85</b>         | <b>162.24</b>          | <b>145.56</b> | <b>338.57</b>   |
| <b>Net Carrying Amount 31.03.2020</b>           | <b>247.05</b> | <b>276.84</b> | <b>42.76</b>        | <b>7.27</b>            | <b>94.71</b>  | <b>668.63</b>   |

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**Notes to the Financial Statements (consolidated)**

₹ in Lacs

| Particulars  | As at 31st March, 2020 |      | As at 31st March, 2019 |      |
|--|------------------------|------|------------------------|------|
|  | No of shares           |      | No of shares           |      |
| <b>Note 4 : Financial Assets</b>   |                        |      |                        |      |
| <b>4(a) Non-current Investments - Un-quoted</b>                                    |                        |      |                        |      |
| (1) Equity shares fully paid up  |                        |      |                        |      |
| Other entities - Non-Trade   |                        |      |                        |      |
| Tirupur Infrastructure Development Company Limited<br>(500 shares of Rs.1000 each) | 500                    | 5.00 | 500                    | 5.00 |
| Aggregate amount of Unquoted investments   |                        | 5.00 |                        | 5.00 |
| Sub-total  |                        | 5.00 |                        | 5.00 |

₹ in Lacs

| Name of the Partners in the firm/AOP    | Year Ended 31.03.2020 / 31.03.2019 |                 |               |
|---|------------------------------------|-----------------|---------------|
|   | Total Capital<br>Rs. in lacs       | Share of Profit | Share of Loss |
| <b>Prime Mall Developers :</b>          |                                    |                 |               |
| 1 Prime Urban Development India Limited | 1.00                               | 50.00%          | 66.66%        |
| 2 Pudumjee Plant Laboratories Limited   | 1.00                               | 25.00%          | 33.34%        |
| 3 Aristo Realty Developers Limited      | -                                  | 25.00%          | -             |
|   | 2.00                               | 100.00%         | 100.00%       |

₹ in Lacs

| Particulars  | Note | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|--|------|---------------------------|---------------------------|
| <b>4(b) Other financial assets</b>                               |      |                           |                           |
| Security Deposits  |      | 33.00                     | 17.17                     |
|  |      | 33.00                     | 17.17                     |
| <b>4(c) Loans</b>  |      |                           |                           |
| Other loans and advances   |      | 5.50                      | 7.50                      |
|  |      | 5.50                      | 7.50                      |
| <b>4(d) Trade receivables (current)</b>                          |      |                           |                           |
| Considered good - Unsecured                                      |      | 58.47                     | 2,074.64                  |
| Trade Receivables which have significant increase in Credit Risk |      | -                         | -                         |
|  |      | 58.47                     | 2,074.64                  |
| Less : Allowances for bad and doubtful debts                     |      | -                         | -                         |
|  |      | 58.47                     | 2,074.64                  |
| <b>4(e) Cash and cash equivalents</b>                            |      |                           |                           |
| (i) Cash on hand   |      | 2.27                      | 3.72                      |
| (ii) Balances with bank in current accounts                      |      | 63.01                     | 89.73                     |
| (iii) Fixed deposits with bank                                   |      | 0.42                      | 3.34                      |
|  |      | 65.70                     | 96.79                     |
| <b>4(f) Bank Balances other than above</b>                       |      |                           |                           |
| Unpaid Dividend accounts   |      | 7.86                      | 7.86                      |
| Other Deposits   |      | 4.44                      | 12.70                     |
|  |      | 12.20                     | 20.56                     |
| * Shall transfer when due to IEPF, not yet due for transfer      |      |                           |                           |
| <b>4(g) Short-term loans and advances</b>                        |      |                           |                           |
| Loans receivable from Corporate - Considered good, Unsecured     |      | 150.00                    | 150.00                    |
|  |      | 150.00                    | 150.00                    |
| <b>4(h) Short-term Loans to others</b>                           |      |                           |                           |
| Loans receivable from Firms - Considered good, Unsecured         |      | 231.62                    | -                         |
|  |      | 231.62                    | -                         |



## Notes to the Financial Statements (consolidated)

₹ in Lacs

| Particulars   | Note          | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---------------|------------------------|------------------------|
| <b>Note 5 Inventories</b>   |               |                        |                        |
| Valued at Cost or Net realisable value whichever is lower   |               |                        |                        |
| (i) Stock in Trade - Yarn (**)  |               | -                      | 52.14                  |
| (ii) Land   |               | 1,647.05               | 1,829.71               |
| (iii) Stock of Car Parking  |               | 704.29                 | 20.00                  |
|   | Sub-total (b) | <u>2,351.34</u>        | <u>1,901.85</u>        |
| (**) The Inventory is hypothecated for the working capital loans availed from Central Bank of India |               |                        |                        |
| No inventory is written off during the year   |               |                        |                        |
| <b>Note 6 Current Tax Assets (Net)</b>  |               |                        |                        |
| Advance income tax  |               | 245.38                 | 640.24                 |
| Less: Provisions  |               | 11.21                  | 415.98                 |
| Current Tax Assets (Net)  |               | <u>234.17</u>          | <u>224.26</u>          |
| <b>Note 7 Other current assets</b>  |               |                        |                        |
| (i) Interest accrued and other receivables  |               | 53.49                  | 19.66                  |
| (ii) Rent Deposit   |               | 3.30                   | 3.30                   |
| (iii) Un amortized  |               | -                      | 187.83                 |
| (iv) Prepayments  |               | 3.09                   | 10.55                  |
| (v) Balance with statutory authorities  |               | 47.62                  | 130.57                 |
| (vi) Advances to suppliers  |               | 17.74                  | 104.96                 |
| (vii) Advances to employees   |               | 0.16                   | 0.18                   |
| (viii) Contract execution pre-operative expenses  |               | <u>308.82</u>          | <u>184.09</u>          |
|   |               | <u>434.23</u>          | <u>641.14</u>          |

| Particulars   | As at 31st March, 2020 |               | As at 31st March, 2019 |               |
|---|------------------------|---------------|------------------------|---------------|
|   | Number                 | Rs. in Lacs   | Number                 | Rs. in Lacs   |
| <b>Note 8 Equity Share Capital and Other Equity</b> |                        |               |                        |               |
| <b>Note 8 (a) : Equity Share Capital</b>            |                        |               |                        |               |
| Authorised  |                        |               |                        |               |
| Equity Shares of Rs.2 each                          | 62,500,000             | 1,250.00      | 62,500,000             | 1,250.00      |
| Preference Shares of Rs.100 each                    | 750,000                | 750.00        | 750,000                | 750.00        |
| Issued  |                        |               |                        |               |
| Equity Shares of Rs.2 each                          | 26,644,300             | 532.89        | 26,644,300             | 532.89        |
| Subscribed and paid up:                             |                        |               |                        |               |
| Equity Shares of Rs.2 each                          | <u>26,643,600</u>      | <u>532.87</u> | <u>26,643,600</u>      | <u>532.87</u> |
|   | 26,643,600             | 532.87        | 26,643,600             | 532.87        |

Note (a) : Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period.

| Particulars                                     | As at 31st March, 2020 |                | As at 31st March, 2019 |                |
|---|------------------------|----------------|------------------------|----------------|
|   | Number                 | Amount in Lacs | Number                 | Amount in Lacs |
| Shares outstanding at the beginning of the year | 2,66,43,600            | 532.87         | 2,66,43,600            | 532.87         |
| Add: Shares issued during the year              | -                      | -              | -                      | -              |
| Shares outstanding at the end of the year       | 2,66,43,600            | 532.87         | 2,66,43,600            | 532.87         |

Note (b) - Details of Shareholders holding more than 5% of Equity Shares in the Company:

| Name of the Shareholder       | Number shares held | Percentage of Holding | Number shares held | Percentage of Holding |
|-------------------------------|--------------------|-----------------------|--------------------|-----------------------|
| Anjana Syntex Company Limited | 56,60,655          | 21.25%                | 56,60,655          | 21.25%                |
| Pat Credit Limited            | 60,09,675          | 22.56%                | 60,09,675          | 22.56%                |
| Meenal Patodia                | 17,24,915          | 6.47%                 | 17,24,915          | 6.47%                 |

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**Notes to the Financial Statements (consolidated)**

**Note (c)** - Terms/ Rights attached to Equity Shares:- The Company has only one class of equity shares having par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share.

**Note (d)** - There was no issue of shares allotted as fully paid up pursuant to Contract (s) without payment being received in cash or buyback or bonus shares of interim Dividend

**Note (e)** Dividends proposed by the Board of Directors, if any is subject to approval of the Shareholders in the Annual General Meeting, except in case of interim Dividend.

**Note (f):** In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

₹ in Lacs

| Particulars   | Note | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|---|------|---------------------------|---------------------------|
| <b>Note 8</b>   |      |                           |                           |
| <b>Note 8(b) : Other Equity</b>   |      |                           |                           |
| i Capital Reserve   |      | 9.31                      | 148.13                    |
| ii Securities Premium   |      | 117.00                    | 117.00                    |
| iii General Reserve   |      | 1,950.71                  | 1,950.71                  |
| iv Retained Earnings  |      | (2,306.51)                | (1,671.21)                |
|   |      | <u>(229.49)</u>           | <u>544.63</u>             |
| <b>i. Capital Reserve</b>   |      |                           |                           |
| Beginning of the Year   |      | 148.13                    | 148.13                    |
| Less: Diminution in Value of Investment in subsidiary Companies   |      | <u>(138.82)</u>           | <u>-</u>                  |
| End of the Year   |      | <u>9.31</u>               | <u>148.13</u>             |
| 1. Company has invested in Newline Buildtech Pvt Ltd by acquisition of 100% of equity shares of Newline Buildtech Pvt Ltd during FY 2017-18 at Rs. 4,103.48 lacs. The difference of Rs. 147.73 lacs, Parent's share in equity from cost of Investment is credited in Capital Reserve.   |      |                           |                           |
| 2. Company has invested in Srivarhsa Realtors Pvt Ltd by acquisition of 100% of equity shares of Newline Buildtech Pvt Ltd during FY 2017-18 at Rs. 0.60 lacs. The difference of Rs. 0.40 lacs Parent's share in equity from cost of Investment is credited in Capital Reserve.   |      |                           |                           |
| <b>ii. Securities Premium</b>   |      |                           |                           |
| Beginning of the Year   |      | <u>117.00</u>             | <u>117.00</u>             |
| End of the Year   |      | <u>117.00</u>             | <u>117.00</u>             |
| During the year ended 31st March 2015, the Company has issued 39,00,000 equity shares face value of Rs. 2/- and share premium of Rs. 3/- each. The said premium is credited to Securities Premium account   |      |                           |                           |
| <b>iii. Business Reconstruction Reserve :</b>   |      |                           |                           |
| Beginning of the Year   |      | -                         | 286.01                    |
| Less: Reduction due to a portion of land Sold   |      | <u>-</u>                  | <u>(286.01)</u>           |
| End of the Year   |      | <u>-</u>                  | <u>(0.00)</u>             |
| The Hobb'le High Court of Madras vide its order 22nd September, 2010 approved as Scheme of Arrangement between the Company and its Shareholders ("the Scheme"). The Scheme provides that with effect from 1st April, 2009, the Appointed Date, a significant portion of Free hold Land, as the considers relevant and appropriate, was reinstated at their respective fair values as determined by recognized valuers. Consequently the adjustment of such reinstatement was reflected in Business Reconstruction Reserve Account ("BRR"). In subsequent years, due to transfer/sale of such reinstated land, the BRR reversed correspondingly. |      |                           |                           |





## Notes to the Financial Statements (consolidated)

₹ in Lacs

| Particulars   | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
|---|---------------------------|---------------------------|
| <b>iv. General Reserve:</b>   |                           |                           |
| Beginning and end of the Year   | 1,950.71                  | 1,950.71                  |
| End of the Year   | <u>1,950.71</u>           | <u>1,950.71</u>           |
| <b>v. Retained Earnings</b>   |                           |                           |
| Beginning of the Year   | (1,671.21)                | (1,375.44)                |
| Add : Profit/ (Loss) after Tax  | (620.71)                  | (292.23)                  |
|   | <u>(2,291.92)</u>         | <u>(1,667.67)</u>         |
| Less: Unrealised Gain on Intra - group transfers  | (14.59)                   | (3.54)                    |
|   | <u>(2,306.51)</u>         | <u>(1,671.21)</u>         |
| End of the Year   | <u>(2,306.51)</u>         | <u>(1,671.21)</u>         |
| Total   | <u>(229.49)</u>           | <u>544.63</u>             |
| <b>Note 9</b>   |                           |                           |
| <b>Non-Current Liabilities</b>  |                           |                           |
| Financial Liabilities   |                           |                           |
| <b>9(a) Borrowings</b>  |                           |                           |
| <b>Secured</b>  |                           |                           |
| Deferred payment liabilities  |                           |                           |
| Hire - purchase Loan  | 33.11                     | 60.83                     |
| Total   | <u>33.11</u>              | <u>60.83</u>              |
| Nature of Security :  |                           |                           |
| 1. Hire purchase liabilities are secured against the vehicles acquired  |                           |                           |
| Terms of Repayment :  |                           |                           |
| 1. Hire purchase loan liabilities and terms to pay last instalment due is on 01.09.2025 and rate of interest is 8.71% per annum.  |                           |                           |
| <b>Note 10</b>  |                           |                           |
| <b>Current Liabilities</b>  |                           |                           |
| <b>10(a) Current Borrowings</b>   |                           |                           |
| <b>Secured</b>  |                           |                           |
| (i) From Bank   |                           |                           |
| Central Bank of India Packing Credit - Interest rate at Libor +2.00%  | -                         | 683.92                    |
| (ii) From Others  |                           |                           |
| <b>Un-secured</b>   |                           |                           |
| From Corporates   | 1,912.28                  | 2,424.50                  |
| From a Director   | 164.75                    | 40.00                     |
| From LLP  | 134.00                    | -                         |
| Sub-total (a)   | <u>2,211.03</u>           | <u>3,148.42</u>           |
| Nature of Security :  |                           |                           |
| a The working capital loans from Central Bank of India is closed during the quarter ended 31.3.2020 For Previous year, working capital loans from Bank are secured against hypothecation of current assets and further secured by way of second charge over the building of the Company and further guaranteed by three of the Directors of the Company |                           |                           |
| b Loan outstanding in the previous year from a NBFC is secured against the 58,02,925 Equity Shares of Rs. 10/- each in Newline Buildtech Pvt Ltd which is a subsidiary of the Company (Ref Note No. 4(a)(i))  |                           |                           |
| c Unsecured Loan from Corporates, having interest rates ranging between 9% to 12% p.a. payable within one year and loan from a director has interest at the rate of 12% pa and tenure of repayment is 12 months from the date of borrowing.   |                           |                           |
| <b>10(b) Trade payable</b>  |                           |                           |
| Due to suppliers and service providers  | 78.86                     | 142.48                    |
| (Also refer Note No. 2.02 regarding dues to MSM others)   |                           |                           |
| Sub-total (b)   | <u>78.86</u>              | <u>142.48</u>             |

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

**Notes to the Financial Statements (consolidated)**

₹ in Lacs

| Particulars   | As at 31st<br>March, 2020 | As at 1st<br>March, 2019 |
|---|---------------------------|--------------------------|
| <b>10(c) Other Financial Liabilities</b>                    |                           |                          |
| (i) Current maturities of finance lease obligations         | 30.00                     | 24.47                    |
| (ii) Interest accrued but not due on borrowings             | 47.91                     | 5.47                     |
| (iii) Unclaimed dividends *                                 | 7.86                      | 7.86                     |
| (iv) Due to Directors                                       | 2.65                      | 2.50                     |
| (v) Other payables  |                           |                          |
| Security Deposit and Retention money                        | 0.15                      | 13.85                    |
| Others  | 6.49                      | 1.66                     |
| (vi) Construction contract advance received                 | <u>1,359.30</u>           | <u>1,359.29</u>          |
| Sub-total (c)   | <u>1,454.36</u>           | <u>1,415.10</u>          |
| * Shall transfer when due to IEPF, not yet due for transfer |                           |                          |
| <b>11(a) Provisions</b>                                     |                           |                          |
| Provision for Employee Benefits - Gratuity                  | 0.15                      | 20.11                    |
| Sub-total (d)   | <u>0.15</u>               | <u>20.11</u>             |
| <b>11(b) Other current Liabilities</b>                      |                           |                          |
| Advance from customers                                      | 87.80                     | 37.05                    |
| Statutory dues payable                                      | 12.11                     | 16.03                    |
| Unamortised   | 57.87                     | -                        |
| Non recognition of customer credit                          | 27.05                     | -                        |
| Sub-total (e)   | <u>184.83</u>             | <u>53.08</u>             |
| Total   | <u>3,929.23</u>           | <u>4,779.19</u>          |

₹ in Lacs

| Particulars                                   | Year Ended<br>31st March, 2020 | Year Ended<br>31st March, 2019 |
|---|--------------------------------|--------------------------------|
| <b>Note 12</b>                                |                                |                                |
| <b>Revenue from operations :</b>              |                                |                                |
| <b>Textile Segment</b>                        |                                |                                |
| Textiles - Sale of Traded Goods - Cotton Yarn | <u>4,938.02</u>                | <u>12,785.39</u>               |
|   | <u>4,938.02</u>                | <u>12,785.39</u>               |
| <b>Realty Segment</b>                         |                                |                                |
| Gain on Sale of Land (Net of Cost)            | -                              | 9.57                           |
| Sale of Land - converted into stock in trade  | -                              | 667.53                         |
| Sale of Phase II Land                         | -                              | 673.99                         |
| Sale of Villas                                | -                              | 900.00                         |
| Revenue from operations of Entities           | <u>222.89</u>                  | <u>4.80</u>                    |
|   | <u>222.89</u>                  | <u>2,255.89</u>                |
| <b>Other Operating Revenue :</b>              |                                |                                |
| Export Incentive                              | 75.89                          | 148.08                         |
| Exchange gain                                 | -                              | 0.70                           |
|   | <u>75.89</u>                   | <u>148.78</u>                  |
|   | <u>5,236.81</u>                | <u>15,190.06</u>               |
| <b>Note 13</b>                                |                                |                                |
| <b>Other Income</b>                           |                                |                                |
| Interest income                               | 73.73                          | 51.79                          |
| Commission receipts                           | -                              | 4.15                           |
| Dividend income                               | 4.04                           | 3.64                           |
| Liabilities no longer payable written back    | 26.46                          | 102.65                         |
| Profit on sale of Investments                 | 4.75                           | -                              |
| Miscellaneous Income                          | 0.36                           | 2.07                           |
|   | <u>109.34</u>                  | <u>164.30</u>                  |
| <b>Note 14</b>                                |                                |                                |
| <b>Cost of Land</b>                           |                                |                                |
| Cost of Land held as Stock in Trade           | 107.19                         | 347.41                         |
| Cost of Land                                  | 60.20                          | -                              |
| Road laying expenses                          | 48.14                          | -                              |
|   | <u>215.53</u>                  | <u>347.41</u>                  |



## Notes to the Financial Statements (consolidated)

₹ in Lacs

| Particulars   | Year Ended<br>31st March, 2020 | Year Ended<br>31st March, 2019 |
|---|--------------------------------|--------------------------------|
| <b>Note 15</b>  |                                |                                |
| <b>Purchase of Stock-in-trade</b>                               |                                |                                |
| Purchase of Traded goods - Cotton Yarn                          | 4,673.11                       | 12,088.20                      |
| Cost of Purchases Realty (Villas and development rights)        | 357.22                         | 133.14                         |
| Cost of revenue of Entities                                     | 198.83                         | 167.30                         |
|   | <u>5,229.16</u>                | <u>12,388.64</u>               |
| <b>Note 16</b>  |                                |                                |
| <b>Changes in Stock of Finished Goods and Stock - in- trade</b> |                                |                                |
| Opening balance:  |                                |                                |
| Stock in Trade  | 52.14                          | 84.82                          |
| Realty Inventory  | 1,245.71                       | 2,303.14                       |
|   | <u>1,297.85</u>                | <u>2,387.96</u>                |
| (A)   |                                |                                |
| Less :  |                                |                                |
| Closing balance:  |                                |                                |
| Stock in Trade  | -                              | 52.14                          |
| Realty Inventory  | 1,853.72                       | 1,225.71                       |
|   | <u>1,853.72</u>                | <u>1,297.85</u>                |
| (B)   |                                |                                |
| Net Value   | <u>(555.87)</u>                | <u>1,090.11</u>                |
| (A) -(B)  |                                |                                |
| <b>Note 17</b>  |                                |                                |
| <b>Employee Benefits</b>  |                                |                                |
| Salaries and Wages  | 212.94                         | 306.00                         |
| Contribution to provident and other funds                       | 4.00                           | 20.94                          |
| Staff welfare expenses  | 6.60                           | 10.38                          |
| Total   | <u>223.54</u>                  | <u>337.32</u>                  |
| <b>Note 18</b>  |                                |                                |
| <b>Finance cost</b>   |                                |                                |
| Interest on Borrowings  | 316.06                         | 348.32                         |
| Other finance cost  | 8.40                           | 6.52                           |
| Total   | <u>324.46</u>                  | <u>354.84</u>                  |
| <b>Note 19</b>  |                                |                                |
| <b>Other Expenses</b>   |                                |                                |
| Insurance   | 9.72                           | 15.99                          |
| Rates and taxes   | 6.85                           | 22.27                          |
| Sitting Fees  | 1.85                           | 2.30                           |
| Power and Fuel Consumed   | 18.38                          | 15.55                          |
| Rent  | 24.38                          | 17.08                          |
| Repairs - Building  | 0.61                           | 1.18                           |
| Repairs - Others  | 9.23                           | 24.94                          |
| Communication Expenses  | 12.61                          | 17.13                          |
| Travelling and Conveyance                                       | 48.97                          | 72.30                          |
| Sales Commission  | 54.03                          | 112.67                         |
| Freight and Forwarding  | 129.95                         | 374.06                         |
| Selling expenses  | 0.21                           | 0.46                           |
| Donation  | 0.08                           | 1.03                           |
| Legal and Professional fees                                     | 16.03                          | 23.86                          |
| Auditors Remuneration   | 2.40                           | 1.87                           |
| Bad and doubtful debts written off                              | 29.13                          | 34.50                          |
| Advances no longer recoverable written off                      | 12.72                          | 50.41                          |
| Loss on Sale of property, plant and equipment                   | 0.88                           | 13.34                          |
| Bank Charges  | 24.69                          | 79.87                          |
| Loss on discarded assets  | -                              | 7.52                           |
| Miscellaneous expenses  | 116.51                         | 183.64                         |
|   | <u>519.23</u>                  | <u>1,071.97</u>                |
| <b>Note 20</b>  |                                |                                |
| <b>Exceptional Expenses</b>                                     | -                              | -                              |
|   | -                              | -                              |

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### Note No. 21: Additional information to financial statements for consolidated financial statements:

#### 21.01: Members of the Group:

Prime Urban Development India Limited's subsidiaries and associates are listed below:

| Sl.No | Particulars                       | Nature           | Proportion of ownership interest | Date of Incorporation/ Acquisition |
|-------|-----------------------------------|------------------|----------------------------------|------------------------------------|
| 1     | ATL Textile Processors Limited    | Subsidiary       | 100%                             | 22.03.1996                         |
| 2     | Manoj Yarn Processors Limited     | Subsidiary       | 100%                             | 08.02.1996                         |
| 3     | Pee Dee Yarn Processors Limited   | Subsidiary       | 100%                             | 06.12.1995                         |
| 4     | Patodia Developers Pvt Ltd        | Subsidiary       | 100%                             | 15.02.2008                         |
| 5     | Srivarsha Realtors Pvt Ltd        | Subsidiary       | 60%                              | 20.9.2016                          |
| 6     | Newline Buildtech Private Limited | Subsidiary       | 100%                             | 09.08.2017                         |
| 7     | Prime Newline AOP                 | AOP              | 75%                              | 23.07.2008                         |
| 8     | Prime Developers                  | Partnership Firm | 50%                              | 15.07.2004                         |
| 9     | Prime Urban Developers            | Partnership Firm | 67%                              | 11.10.2018                         |
| 10    | Prathan City Developers LLP       | LLP              | 67%                              | 02.04.2019                         |

#### 21.02: BASIS OF ACCOUNTING

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standard as notified under the Companies (Indian Accounting standards), 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The consolidated financial statement of the group are prepared and presented on accrual basis and under the historical cost convention except the following material items that have been measured at fair value as required by the relevant Ind AS.

- Defined benefit and other long term employee benefits.

#### 21.03: Contingent liabilities and commitments

₹ in Lacs

|   | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---|------------------------------------|------------------------------------|
| <b>a. Contingent liabilities (to the extent not provided for)</b>   |                                    |                                    |
| Disputed Tax Demands (Including Interest up to the date of demand)  |                                    |                                    |
| (i)Income Tax<br>(Tax deposits Rs.207.48 lacs; pr.yr.207.48 lacs)<br>The Income Tax liability for AY 2009-10 for Rs.551.09 lacs is under appeal before the Hon'ble Madras High Court and the High Court has given stay against the order of Income Tax Appellate Tribunal and collection of demand. | 743.09                             | 743.09                             |
| <b>b. Commitments</b>   |                                    |                                    |
| Other money for which the company is contingently liable; Export Documentary bills discounted with Bank (Since Realized-Rs. --; Previous year –Rs.454.88 lacs)  | Nil                                | 1,003.85                           |

**21.04: Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

₹ in Lacs

| Particulars |  | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|-------------|--|------------------------------------|------------------------------------|
| (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                                |

**21.05: General notes**

- In the opinion of the management, assets other than property, plant and equipment and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- The accounts of certain Trade Receivables, Trade Payables, Loans & Advances and Banks are however, subject to formal confirmations/reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current period's financial statements on such reconciliation/adjustments.

**21.06: Auditors Remuneration (excluding service tax/GST)**

₹ in Lacs

| Particulars  | 31.3.2020   | 31.3.2019   |
|--------------|-------------|-------------|
| Audit fees   | 2.08        | 1.62        |
| Other fees   | 0.32        | 0.25        |
| <b>Total</b> | <b>2.40</b> | <b>1.87</b> |

**21.07: Employee Benefit Plans :****Defined contribution plans :**

The company contributed to Gratuity 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 Lacs

| Particulars |                             | 2019-2020 | 2018-2019 |
|-------------|-----------------------------|-----------|-----------|
| a.          | Provident Fund Contribution | 0.65      | 14.02     |
| b.          | Gratuity                    | 1.20      | 6.92      |

**a. Defined Benefit plan :****Gratuity:**

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity plan") covering eligible employees. The Gratuity plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund administered by Life Insurance Corporation of India under the respective scheme.

**PRIME URBAN DEVELOPMENT INDIA LIMITED**

b. The disclosure in respect of the defined Gratuity Plan are given below:

₹ in Lacs

|   |            |            |
|---|------------|------------|
| 01. Assumptions   | 31.03.2020 | 31.03.2019 |
| Discount Rate   | 7.25 %     | 7.50 %     |
| Salary Escalation   | 7.00 %     | 7.00 %     |
| 02. Changes in the present value of obligation                |            |            |
| Present value of obligation as at beginning of year           | 49.92      | 59.47      |
| Interest Cost   | 3.74       | 4.76       |
| Current Service Cost  | 2.16       | 3.31       |
| Benefits paid   | (3.77)     | (10.88)    |
| Actuarial Loss/(Gain) on obligations                          | (38.23)    | (6.75)     |
| Present value of obligations as at the end of year            | 13.80      | 49.92      |
| 03. Changes in the fair value of plan assets                  |            |            |
| Fair value of plan assets at beginning of year                | 30.36      | 38.17      |
| Expected return on plan assets                                | 2.39       | 2.43       |
| Contributions   | 0.70       | 0.63       |
| Benefits paid   | (3.78)     | (10.88)    |
| Actuarial Gain/(Loss) on Plan assets                          | Nil        | Nil        |
| Fair value of plan assets at the end of year                  | 29.66      | 30.36      |
| 04. Fair value of plan assets                                 |            |            |
| Fair value of plan assets at beginning of the year            | 30.36      | 38.17      |
| Actual return on plan assets                                  | 2.38       | 2.43       |
| Contributions   | 0.70       | 0.63       |
| Benefits paid   | (3.77)     | (10.88)    |
| Fair value of plan assets at the end of year                  | 29.67      | 30.35      |
| Funded status   | 15.86      | (19.56)    |
| 05. Actuarial Gain/Loss recognized                            |            |            |
| Actuarial (gain) /Loss for the year – obligation              | 38.23      | 6.75       |
| Actuarial (gain)/Loss for the year – plan assets              | Nil        | Nil        |
| Total Loss/ (gain) for the year                               | (38.24)    | (6.75)     |
| Actuarial Loss/(Gain) recognized in the year                  | (38.24)    | (6.75)     |
| 06. Amounts recognized in the balance sheet and Profit & Loss |            |            |
| Present value of obligations as at the end of the year        | 13.80      | 49.92      |
| Fair value of plan assets as at the end of the year           | 29.67      | 30.36      |
| Funded status   | 15.86      | (19.56)    |
| Net Asset/(Liability) recognized in balance sheet             | 15.83      | (19.56)    |
| 07. Expenses charged in statement of Profit and Loss          |            |            |
| Current Service cost  | 2.16       | 3.31       |
| Interest Cost   | 3.74       | 4.76       |
| Expected return on plan assets                                | (2.38)     | (2.43)     |
| Net Actuarial loss/(gain) recognized in the year              | (38.24)    | (6.75)     |
| Expenses recognized in statement of Profit and Loss           | (38.24)    | (1.11)     |

- Notes: i. The entire Plan Assets are managed by LIC  
ii. The expected return on Plan Assets is as furnished by LIC  
iii. The estimate of future salary increase takes in to account inflation, likely increments, promotions and other relevant factors.



**c. Sensitivity Analysis:**

₹ in Lacs

| Impact on defined benefit obligation | As at 31 <sup>st</sup> March, 2020<br>Increase/(Decrease) in liability | As at 31 <sup>st</sup> March, 2019<br>Increase/(Decrease) in liability |
|--------------------------------------|--|--|
| +1.00% Change in rate of discounting | (0.95)   | (2.39)   |
| -1.00% Change in rate of discounting | 1.06   | 2.69   |
| +1.00% Growth in rate of Salary      | 0.23   | 0.54   |
| -1.00% Growth in rate of Salary      | (0.22)   | (0.47)   |
| +1.00% Change in Attrition Rate      | 0.33   | 1.10   |
| -1.00% Change in Attrition Rate      | (0.36)   | (1.18)   |
| Mortality Rate 10% up                | 0.01   | 0.05   |

**d. The Defined benefit obligation shall mature as follows:**

₹ in Lacs

| Particulars   | As at 31 <sup>st</sup> March, 2020 | As at 31 <sup>st</sup> March, 2019 |
|---------------|------------------------------------|------------------------------------|
| Within 1 year | 1.62                               | 7.03                               |
| 1-2 year      | 2.84                               | 1.86                               |
| 2-3 year      | 1.31                               | 20.74                              |
| 3-4 year      | 1.14                               | 4.66                               |
| 4-5 year      | 0.98                               | 0.84                               |
| 6-10 year     | 3.75                               | 5.28                               |

**21.08: Segment Information**

₹ in Lacs

|    |   |           |           |
|----|---|-----------|-----------|
| 1  | Segment Revenue:  | 2019-2020 | 2018-2019 |
| a. | Realty  | 222.89    | 2,255.89  |
| b. | Textiles  | 5,013.92  | 12,934.17 |
| 2  | Segment Results :   |           |           |
| a. | Realty  | (262.32)  | 32.99     |
| b. | Textiles  | (52.00)   | 50.09     |
|    | Total   | (314.32)  | 83.08     |
|    | Less : Interest   | (324.46)  | (354.83)  |
|    | Less : Exceptional items – Reversal / (Provision)             | --        | --        |
|    | Less : Un-allocable expenditure                               | (11.74)   | (3.01)    |
|    | Profit/(Loss) before extraordinary items                      | (650.52)  | (274.76)  |
|    | Less : Extraordinary items                                    | --        | --        |
|    | Profit/(Loss) before tax                                      | (650.52)  | (274.76)  |
| 3  | Carrying amount of Segment Assets                             |           |           |
| a. | Realty  | 4,211.07  | 4,529.00  |
| b. | Textiles  | 54.64     | 1,388.52  |
| 4  | Carrying amount of Segment Liabilities                        |           |           |
| a. | Realty  | 3,909.89  | 3,616.99  |
| b. | Textiles  | 52.44     | 1,223.04  |
| 5  | Cost incurred to acquire Segment Fixed Assets during the year |           |           |
| a. | Realty  | 9.30      | 9.30      |
| b. | Textiles  | --        | --        |
| 6  | Depreciation and amortization expenses                        |           |           |
| a. | Realty  | 40.62     | 38.83     |
| b. | Textiles  | --        | --        |

## PRIME URBAN DEVELOPMENT INDIA LIMITED

### 21.09: Disclosure in respect of related parties pursuant to Ind AS 24:

List of Related Parties and nature of relationships:

₹ in Lacs

| With whom transactions have been entered into : |  |  |
|---|--|--|
| (i)   | Key Managerial Personnel                           | Mr. Purusottam Das Patodia<br>Chairman & Managing Director<br>Mr. Manoj Kumar Patodia<br>Vice Chairman & Managing Director<br>Mr. Anuj Patodia<br>Managing Director<br>Mr. T. Paul Sugumaran<br>Whole Time Director (up to 31.05.2019)<br>Mr. S. Udayananda<br>GM (Finance) and CFO<br>Ms. Darshi Shah<br>Company Secretary & Compliance Officer |
| (ii)  | Enterprises having Common Key Management Personnel | Pat Credit Limited<br>Anjana Syntex Co. Limited<br>Prime Hitech Textiles LLP<br>Patodia Overseas Exports LLP   |
| (iii)   | Relatives of Key Managerial Personnel              | Mrs. Indiradevi Patodia<br>Wife of Mr. Purusottam Das Patodia<br>Mrs. Nandita Patodia<br>Wife of Mr. Manoj Kumar Patodia<br>Mrs. Meenal Patodia<br>Wife of Mr. Anuj Patodia  |

### 21.10: Transactions with related parties in the ordinary course of business

₹ in Lacs

| Nature of Transaction                      |    | Associates             | Key Managerial Personnel | Enterprises /Relatives of Key Managerial Personnel | Total                  |
|--|----|------------------------|--------------------------|--|------------------------|
| Rent received                              | -  | 0.36<br>(0.29)         | -<br>(Nil)               | (Nil)  | 0.36<br>(0.29)         |
| Interest paid                              |    | Nil<br>(Nil)           | 4.90<br>(--)             | 11.84<br>(--)                                      | 16.74<br>(--)          |
| Interest Received                          |    |                        |                          | 73.83<br>(--)                                      | 73.83<br>(--)          |
| Sale of goods                              |    |                        |                          | 78.34<br>(--)                                      | 78.34<br>(--)          |
| Purchase of goods                          |    |                        |                          | 39.17<br>(--)                                      | 39.17<br>(--)          |
| <b>Remuneration Paid</b>                   | -- | --                     | --                       | 1.67<br>(1.67)                                     | 1.67<br>(1.67)         |
| a. Mr. Purusottamdas Patodia               |    |                        | 14.80<br>(55.08)         |  | 14.80<br>(55.08)       |
| b. Mr. Manoj Kumar Patodia                 |    |                        | 14.08<br>(41.70)         |  | 14.08<br>(41.70)       |
| c. Mr. Anuj Patodia                        |    |                        | 14.76<br>(39.88)         |  | 14.76<br>(39.88)       |
| d. Mr. T. Paul Sugumaran (up to 31.5.2019) |    |                        | 3.35<br>(23.45)          |  | 3.35<br>(2.45)         |
| e. Mr. S. Udayananda                       |    |                        | 13.42<br>(13.42)         |  | 13.42<br>(13.42)       |
| f. Mr. Krunal Shah (up to 30.9.2019)       |    |                        | 6.63<br>(11.76)          |  | 6.63<br>(11.76)        |
| g. Ms. Darshi Shah (w.e.f. 1.9.2019)       |    |                        | 6.36<br>(--)             |  | 6.36<br>(--)           |
| Total                                      |    |                        | 73.40<br>(185.29)        |  | 73.40<br>(185.29)      |
| Balance as on 31.3.2020                    |    |                        |                          |  |                        |
| <b>Amount Payable:</b>                     |    |                        |                          |  |                        |
| Prime Mall Developers                      |    | 1,272.99<br>(1,269.74) |                          |  | 1,272.99<br>(1,269.74) |

(figures in bracket represent previous year's)





### 21.11: Details of Lease arrangements

- a. The Company has entered into finance lease arrangements for vehicles and Future minimum lease payments and minimum lease payments are as follows :

₹ in Lacs

| Due                               | Total Minimum Lease Payments Outstanding | Future Interests on Outstanding | Present value of Minimum Lease Payments |
|-----------------------------------|--|---------------------------------|---|
| 1. Within one year                | <b>24.84</b><br>(37.18)                  | <b>4.56</b><br>(7.18)           | <b>20.28</b><br>(30.00)                 |
| 2. Between one year to five years | <b>47.16</b><br>(61.38)                  | <b>8.22</b><br>(11.94)          | <b>38.94</b><br>(49.44)                 |
| 3. More than five years           | <b>5.22</b><br>(15.86)                   | <b>0.09</b><br>(0.93)           | <b>5.13</b><br>(14.93)                  |
| Total                             | <b>77.22</b><br>(114.42)                 | <b>12.87</b><br>(20.05)         | <b>64.35</b><br>(94.37)                 |

(Figures in bracket are of previous year's)

- b. The Company has taken premise under cancellable operating lease. These lease agreement is normally renewed on expiry. The rental expenditure is accounted for in statement of Profit and Loss of the Company in accordance with Ind AS 17 on lease transactions.

### 21.12: Earnings Per Share

₹ in Lacs

| Particulars  | 2019-2020   | 2018-19     |
|--|-------------|-------------|
| a. Profit/(Loss) after tax excluding exceptional items | (648.23)    | (302.84)    |
| b. Less : Exceptional items                            | --          | --          |
| c. Profit/(Loss) after tax including exceptional items | (648.23)    | (302.84)    |
| d. Number of Equity shares outstanding                 | 266,43,600  | 266,43,600  |
| e. Basic/Diluted Earnings Per Share (EPS) :            |             |             |
| - EPS excluding exceptional items (a/d)                | (2.43)      | (1.14)      |
| - EPS including exceptional items (c/d)                | (2.43)      | (1.14)      |
| f. Face value per share – in Rs.                       | 2 per share | 2 per share |

### 21.13: Income tax/DT reconciliation note:

#### Deferred Tax Asset/(Liability)

Timing difference comprises of :

₹ in Lacs

|   | 31.03.2020 | 31.03.2019 |
|---|------------|------------|
| Deferred Tax Asset                                      |            |            |
| 1. Expenses covered by 43B                              | --         | 5.59       |
| 2-. Carry forward Unabsorbed Depreciation/Business Loss | 948.85     | 1,080.43   |
| Total   | 948.85     | 1,086.02   |
| Deferred Tax Liability                                  |            |            |
| 1. Depreciation   | 0.31       | 0.83       |
| Total   | 0.31       | 0.83       |
| Net Deferred Tax Asset/(Liability)                      | 948.50     | 1,085.19   |

As a matter of the commercial prudence, deferred tax asset due to timing difference is not provided in the accounts.

#### Deferred Tax Assets /(Liability)

₹ in Lacs

| Particulars                         | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|-------------------------------------|------------|------------|------------|
| Opening Balance                     | 15.84      | 14.51      | 5.48       |
| Recognized in Profit and Loss       |            |            |            |
| MAT Credit entitlement              | 1.16       | 1.33       | 9.03       |
| Net Deferred Tax Assets/(Liability) | 17.00      | 15.84      | 14.51      |

### 21.14: Capital Management Note:

#### Risk Management Note:

The Company's aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders.

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

## **PRIME URBAN DEVELOPMENT INDIA LIMITED**

### **21.15: Disclosure with regard to liquidity risk, Interest rate sensitivity, fair value matrix as per Ind AS**

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is hardly much exposed to market risk, interest rate risk, credit risk and liquidity risk. The Company's risk management is carried out by a corporate finance team under the policies approved by the Board of Directors under the broad parameters;

#### **i) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate due to change in market price. The value of a financial instruments may change as result of change in interest rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including payable, deposits, loans & borrowings. The Company management evaluates and exercise control over process of market risk management. The Board recommends risk management objective and policies which includes management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies. The Company assumes that the sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

#### **ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with interest rates.

The Company manages its interest rate risk by having a portfolio of loans and borrowings. In order to optimize the Company's position with regards to interest income and interest expense, the Company performs a comprehensive corporate interest rate risk by using different type of economic product of floating rate of borrowings in its total portfolio.

#### **Interest rate sensitivity**

In view of any inadequate expose to disruptive borrowings, there is hardly any possible change in interest rates on that portion of borrowings. With all other variables held constant, the companies profit/(loss) before tax is hardly affected through the impact on interest rate borrowings.

#### **iii) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 2,074.64 lakhs, INR 912.69 lakhs as of 31 March 2019, 31 March 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the company through continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Accordingly in terms of Ind AS 109, the company does not foresee any expected credit loss.

#### **Credit Risk Management :**

##### **Financial instruments and cash deposits**

The Company maintains exposure in cash and cash equivalents and term deposits with banks. The Company has investment with a Mutual Fund which has a good track record and reputation and hence there is hardly any risk to be reported. The Company assumes that the sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

##### **Trade receivables and other financial assets**

Trade receivables are typically unsecured and are derived from revenue earned from customers. Other financial assets are security deposits. Credit risk has been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company does not foresee any expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix and forward looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. There are no significant credit risk pertaining to financial assets.

#### **iv) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, company's finance team maintains flexibility in funding by maintaining availability under committed credit lines.