





FORM A
Format of covering letter of the Annual Audit report to be filed with
The Stock Exchanges

| | | |
|---|--|---|
| 1 | Name of the company | Prime Urban Development India Limited |
| 2 | Annual financial statements for the year ended | 31st March 2013 |
| 3 | Type of Audit observation | No qualification |
| 4 | Frequency of observation | Whether appeared first time repetitive/ Since how long period Nil |
| 5 | To be signed by | |
| | CEO/Managing Director |  |
| | CFO/DGM (F) |  |
| | Auditor of the company | For M.S. JAGANNATHAN & VISVANATHAN Chartered Accountants  FRN 001209S |
| | Audit Committee Chairman |  |



PRIME URBAN DEVELOPMENT INDIA LIMITED
76th ANNUAL REPORT 2012-13

BOARD OF DIRECTORS

PURUSHOTTAM DAS PATODIA
Chairman & Managing Director

MANOJ KUMAR PATODIA
Vice Chairman & Managing Director

ANUJ PATODIA
Managing Director

N.K. BAFNA
Independent Director

BANWARILAL SINGHAL
Independent Director

VENKAT RAMASWAMY
Independent Director

AUDITORS

M.S.JAGANNATHAN & VISVANATHAN
Chartered Accountants, Coimbatore

LEGAL ADVISORS

RAMANI & SHANKAR
Advocates, Coimbatore

BANKERS

CENTRAL BANK OF INDIA

REGISTERED OFFICE

110, Avinashi Road
Gandhinagar Post
Tirupur-641 603
India

PRIME URBAN DEVELOPMENT INDIA LIMITED



PRIME URBAN DEVELOPMENT INDIA LIMITED

(A Government Recognised Export House)

Regd. Office: 110 (Old 603) Avinashi Road, Gandhinagar P.O., TIRUPUR-641 603

NOTICE

NOTICE is hereby given that the SEVENTY SIXTH Annual General Meeting of the Members of PRIME URBAN DEVELOPMENT INDIA LIMITED will be held at the Registered Office of the company at 110 Avinashi Road, TIRUPUR-641 603, Tamilnadu on Friday the 2nd August 2013 at 4.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Profit and Loss Account for the year ending 31st March 2013, together with the Reports of the Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Venkat Ramaswamy who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

Place: Mumbai

Date: 17.05.2013

By Order of the Board

Manoj Kumar Patodia

Vice Chairman and Managing Director

NOTES FOR THE MEMBERS' ATTENTION

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The instrument appointing proxy should however be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 25th July 2013 to 2nd August 2013 (both days inclusive)
3. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends up to the Financial Year ended 31st March 2005 which were remaining unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investors Education and Protection Fund of the Central Government (the "Fund"). The dividends remaining unpaid or unclaimed for the Financial Year ended 31st March 2006 and thereafter shall similarly on expiry of the prescribed period of seven years also be transferred to the fund.

Shareholders, who have so far not encashed the dividend warrant(s) for the Financial Year ended 31st March 2007 or for any financial years subsequent thereto, are requested to immediately forward the same to the company for revalidation.

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



4. Members are requested to notify change of address, if any, with Pin Code quoting reference to their folio number immediately to the Registrar.
5. Shareholders are requested to note the Company's Registrars and Share Transfer Agents for physical shares. M/s SKDC Consultants Limited (SKDC), Ganapathy Towers 3rd Floor, 1391/1 Sathy Road, Ganapathy, Coimbatore-641 006. SKDC is also having a depository interface of the company with both NSDL and CDSL.
6. Re-appointment of Directors

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

Place: Mumbai
Date: 17.05.2013

By Order of the Board
Manoj Kumar Patodia
Vice Chairman and Managing Director

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

Mr. Venkat Ramaswamy

Date of Birth : 12.08.1966 Date of appointment: 26.07.2011

Expertise in specific function : Venture capital, Private Equity Advisory and Fund raising

No. of shares held: Nil

List of companies in which Directorship held with other companies

| | | |
|---|-------------------------------|--|
| Public Companies | | Private Companies |
| Edelweiss Financial Services Limited | | Ivy Financial Services Private Ltd. |
| Edelweiss Tokio Life Insurance Company Ltd. | | |
| Edelweiss Alternative Asset Advisory Limited | | Edelweiss Capital (Singapore) Pte. Ltd |
| Edelweiss Advisors Limited | | |
| Edelweiss Investment Advisors Limited | | |
| Partner in Firms | | Other Position |
| Ecap Partners | | Edelweiss Employees Welfare Trust |
| Name of company and Committee (constituted under Corporate Governance code) | | |
| Name of the company | Particulars of Committee | Chairman/Member |
| Edelweiss Capital Limited | Investors Grievance Committee | Member |
| Edelweiss Tokio Life Insurance company Ltd. | Audit Committee | Member |

PRIME URBAN DEVELOPMENT INDIA LIMITED

DIRECTORS' REPORT

To the Members

Your Directors are presenting their Seventy Sixth Annual Report and the Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS AT A GLANCE

| | Year ended 31st March | |
|---|-----------------------|-----------------|
| | 2013 | 2012 |
| | ₹ in thousands | ₹ in thousands |
| Turnover and other Income | 245,644 | 271,109 |
| EBIDTA | 1,222 | 34,464 |
| Interest | 16,664 | 18,677 |
| Depreciation and Amortization | 2,056 | 1,996 |
| Profit/(Loss) before taxes | (17,498) | 13,791 |
| Exceptional items | — | 44,500 |
| Profit/(Loss) after tax | (17,498) | (30,709) |
| Surplus from previous year brought forward | 64,972 | 95,681 |
| Transfer from Business Reconstruction Reserve | — | 44,500 |
| Transferred to General Reserve | — | (44,500) |
| Amount available for appropriation | 47,474 | 64,972 |

DIVIDEND

In view of losses, your Directors do not recommend any Dividend for the year ended 31st March 2013.

REVIEW OF OPERATIONS

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

Realty Segment

The country's appetite for apartments, private villas and modern residential housing forging new synergies, the realty market is growing exponentially every year. In the explosion of life-styles and youthful aspirations that has taken place, the real estate industry is reaching out to wider target audiences and is meeting new demands.

Real estate as an asset class has a natural hedge against inflation, experiences low volatility and hence can generate positive long-term returns. Hence the Company has taken up two major residential projects at Tirupur which is uplifting the realty market potential. The residential requirements are also increasing in Tirupur.

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

The construction of luxury villas is in progress for the signature land- mark project "THE ONYX", a piece of precious simplicity, refinement and exclusiveness. Every villa has a private elevator and private pool in addition to the common swimming pool and an ultra modern club house. The villas are designed by international architects with an array of customer designed plans and styles.

The first Phase of construction of villas will be completed by end of the year.

Textile Segment

The textile is showing a momentum in growth and a bullish graph is expected from India and your Company is expected to perform on higher scale in Textiles trading in the coming year. Tirupur is forging for a big leap in the Garment sector and is expected to achieve a higher performance.



CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements for the year ended March 31, 2013 form part of the Annual Report.

SUBSIDIARY COMPANIES

The Reports and Audited Accounts of the subsidiary companies are not forming part of the Annual Report. The Ministry of Corporate Affairs, Government of India, New Delhi vide its circular No.2 of 2011 dated 8th February 2011 granted general exemption under section 212(8) of the Companies Act, 1956 from attaching the Balance Sheet and Profit and Loss Account and other documents of its subsidiaries and hence the same have not been attached for the Financial Year 2012-13.

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

ENVIRONMENT AND POLLUTION CONTROL

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

FIXED DEPOSITS

There are no unpaid deposits. The aggregate amount of deposits as at the year ended 31st March 2013 is ₹ 8,667 thousands.

LISTING PARTICULARS

The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd., Mumbai. The company has paid the listing fees to Bombay Stock Exchange up to 2013-14.

DISCLOSURE OF PARTICULARS

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information and data is given in Annexure A and B.

DEPOSITORY SYSTEM

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

TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act 1956, an amount of Rs. 98,440 being unclaimed dividend 2004-05 was transferred during the year to the Investors Education and Protection Fund established by the Central Government.

PRIME URBAN DEVELOPMENT INDIA LIMITED

COMPLIANCE CERTIFICATE

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

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

AUDITORS

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENTS

Your Directors record with a deep sense of gratitude to the working capital bankers for the excellent support and co-operation rendered by them to the company. Your Directors are thankful to its valuable customers, esteemed stakeholders and business associates for their continued support and the confidence reposed in the Company and its Management.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 17.05.2013

Purushottam Das Patodia
Chairman & Managing Director



ANNEXURE-A

Management's Discussion and Analysis

OVERVIEW

Prime Urban Development India Limited is a Government Recognized Star Export House. It has two business segments- Realty Segment and Textile Segment.

BUSINESS ANALYSIS

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

1. "Prime Enclave Vistas" the multi- storied prestigious residential complex is almost occupied and the construction of further apartments has been commenced during the year. The construction of a commercial mall adjacent to the residential complex is yet to be taken up. The above projects are in a partnership firm in which the company holds a stake of 50%.
2. The construction of luxury villas which is a signature project in Tirupur is under progress. The project is designed with international standard for the luxury life style of living. There is a evinced good response from the prospective buyers.

TOWARDS ENHANCEMENT OF STAKEHOLDER VALUE

Matching the Company's distinctive capabilities with the Realty Division is considered where profitable growth and increased shareholders' value are likely to occur. Your Company has also planned to position its Realty Division through strategic partnerships for joint development of other properties. This will cater to a strong demand foreseen for dwelling units and leisure needs.

Financial Review And Analysis

Highlights

| Year ended 31st March | 2013 ₹ in thousands | 2012 ₹ in thousands |
|---------------------------------|------------------------|------------------------|
| Turnover and other income | 245,644 | 271,109 |
| EBIDTA | 1,222 | 34,464 |
| Interest | 16,664 | 18,677 |
| Depreciation | 2,056 | 1,996 |
| Profit/(Loss) before Taxes | (17,498) | 13,791 |
| Exceptional items | -- | 44,500 |
| Current Tax | -- | -- |
| Profit/(Loss) after Current Tax | (17,498) | (30,709) |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Internal Control

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

The internal audit cell function adequately provides –

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

ANNEXURE – B

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

1. CONSERVATION OF ENERGY

- A MEASURES TAKEN : Nil
- B IMPACT OF THE ABOVE MEASURES : Does not arise
- C ENERGY CONSUMPTION : Not applicable

2. TECHNOLOGY ABSORPTION

- A PROCESSES FOR VALUE-ADDITION : Nil
- B BENEFITS : Nil
- C IMPORTED TECHNOLOGY/IMPORTS IN LAST FIVE YEARS: None

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

| Year ended on March 31st | 2013 ₹ in thousands | 2012 ₹ in thousands |
|---------------------------|---------------------------|---------------------------|
| Foreign Exchange earnings | 62,982 | 85,383 |
| Foreign Exchange outgo | 1,766 | 2,090 |

For and on behalf of the Board of Directors

Place: Mumbai
Date: 17.05.2013

Purushottam Das Patodia
Chairman and Managing Director



PRIME URBAN DEVELOPMENT INDIA LIMITED

(Formerly Prime Textiles Limited)

REPORT ON CORPORATE GOVERNANCE YEAR ENDED ON 31ST MARCH 2013

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

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

A. Mandatory Requirements

i. Company's Philosophy On Code of Corporate Governance

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

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

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

ii. Board Of Directors

a. Composition of the Board

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

b. Board Meetings

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

c. Number of Board meetings held during the year

Four Board Meetings were held during the year 2012-13 and the gap between two consecutive meetings did not exceed four months. The dates on which the Board Meetings held were 26th May 2012, 11th August 2012, 10th November 2012 and 12th February 2013

PRIME URBAN DEVELOPMENT INDIA LIMITED

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

| Name of Director | Category | No. of Board Meetings attended | Attended at the last AGM |
|---|--|--------------------------------|--------------------------|
| Mr.Purushottam Das Patodia Chairman and Managing Director | Promoter Non Independent Executive | 4 | Yes |
| Mr.Manoj Kumar Patodia Vice Chairman & Managing Director | Promoter Non Independent Executive | 4 | Yes |
| Mr.Anuj Patodia Managing Director | Promoter Non Independent Executive | 3 | No |
| Mr. N.K. Bafna | Independent Non Executive | 4 | Yes |
| Mr. Banwarilal Singhal | Independent Non Executive | 4 | Yes |
| Mr.Venkat Ramaswamy | Independent Non Executive | 2 | No |

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

| Name of Director | No. of Directorship in Other companies | | No. of Committee positions held in other companies | |
|----------------------------|--|--------|--|--------|
| | Chairman | Member | Chairman | Member |
| Mr.Purushottam Das Patodia | Nil | 2 | Nil | Nil |
| Mr.Manoj Kumar Patodia | Nil | 5 | Nil | Nil |
| Mr.Anuj Patodia | Nil | 7 | Nil | Nil |
| Mr.N.K. Bafna | Nil | 3 | 1 | 5 |
| Mr.Banwarilal Singhal | Nil | 5 | 5 | 8 |
| Mr.Venkat Ramaswamy | Nil | 6 | Nil | 2 |

The Company did not have any pecuniary relationship with any of the Non-Executive Directors during the year 2012-13.

f. Information supplied to the Board

Among others, information supplied includes

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

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



g. Materially significant related party transactions

There have been no materially significant related party transactions, pecuniary transaction or relationship between the company and its Directors for the year ended 31st March 2013 that may have a potential conflict with the interest of the company at large.

h. Code of Conduct for Directors and Senior Management Personnel

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

III. COMMITTEES OF THE BOARD

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

Audit Committee

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.

PRIME URBAN DEVELOPMENT INDIA LIMITED

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

The Audit Committee met 4 times during the year 2012-13 on 26th May 2012, 11th August 2012, 10th November 2012 and 12th February 2013.

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

| Names of Members | Category | Number of meetings attended |
|--|------------------------------|-----------------------------|
| Mr. Banwarilal Singhal Committee Chairman (Chartered Accountant) | Independent, Non - Executive | 4 |
| N.K. Bafna, Member (Chartered Accountant) | Independent, Non - Executive | 4 |
| Mr. Manoj Kumar Patodia | Non - Independent, Executive | 4 |

Investors' Grievances Committee

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



The Committee met 4 times during the year 2012-13 on 26th May 2012, 11th August 2012, 10th November 2012 and 12th February 2013. No investor grievance remained unattended/ pending for more than 15 days and no request for share transfers and dematerialization received during the financial year was pending for more than 15 days.

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

| Names of Members | Category | Number of meetings attended |
|------------------------------------|----------------------------|-----------------------------|
| Mr.N.K.Bafna Committee Chairman | Independent, Non-Executive | 4 |
| Mr.Banwarilal Singhal | Independent, Non-Executive | 4 |
| Mr.Purushottam Das Patodia | Non-Independent, Executive | 4 |
| Mr.Manoj Kumar Patodia | Non-Independent, Executive | 4 |

Remuneration Committee

The Remuneration Committee is a non-mandatory requirement.

The Remuneration Committee comprises three non-executive Directors, Mr.Banwarilal Singhal, Mr.N.K.Bafna and Mr. Venkat Ramaswamy. The Committee is responsible for recommending the contract terms, remuneration and other benefits for Company's Managing/Whole-time Directors. The Committee met once on 26th May 2012. The composition of the Remuneration Committee and the details of meetings attended by the Directors are given below:

| Names of Members | Category | Number of meetings attended |
|-----------------------|----------------------------|-----------------------------|
| Mr.Banwarilal Singhal | Independent, Non-Executive | 1 |
| Mr.N.K.Bafna | Independent, Non-Executive | 1 |
| Mr.Venkat Ramaswamy | Independent, Non-Executive | 1 |

Remuneration Policy

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

Remuneration of Directors, Sitting fees, salary, perquisites

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

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

PRIME URBAN DEVELOPMENT INDIA LIMITED

Table set below explain the details:

₹ in Thousands

| Name of Director | Sitting fees | Salary | Contn.to P.F. | Perks | Total |
|-----------------------------|--------------|--------|---------------|-------|-------|
| Mr. Purushottam Das Patodia | Nil | 4200 | 504 | 1176 | 5880 |
| Mr. Manoj Kumar Patodia | Nil | 3120 | 368 | 776 | 4264 |
| Mr. Anuj Patodia | Nil | 3000 | 354 | 736 | 4090 |
| Mr. N.K.Bafna | 85 | - | - | - | 85 |
| Mr. Banwarilal Singhal | 85 | - | - | - | 85 |
| Mr.Venkat Ramaswamy | 25 | - | - | - | 25 |
| | 195 | 10320 | 1226 | 2688 | 14429 |

Finance Committee

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

The Finance Committee comprises Mr.Purushottam Das Patodia, Chairman and Managing Director (Committee Chairman), Mr.Manoj Kumar Patodia, Vice Chairman and Managing Director and Mr. Anuj Patodia, Managing Director as its Members.

Special Committee

The Board has constituted a Special Committee with the terms of reference of to approve the quarterly financial results other than the Audit Committee and the Board need not approve the same before publishing the quarterly financial results. But the Board would have to approve the quarterly financial results in its next meeting. The Special Committee comprises Mr.B.L.Singhal (Committee Chairman), Mr.N.K.Bafna, Director and Mr.Purushottam Das Patodia, Chairman and Managing Director as its Members. The Committee did not meet during the financial year ended 31st March 2013 as the terms of reference were transacted by the Board of Directors.

IV. SUBSIDIARY COMPANIES

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

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

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



V. MANAGEMENT

a. Management Discussion and Analysis

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

b. Disclosures by the Management to the Board

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

VI. GENERAL BODY MEETINGS

General Body Meetings during last three years

| Date of the Meeting | 29.04.2010 | 12.06.2010 | 30.12.2010 | 9.9.2011 | 11.8.2012 |
|---|------------|---|------------|----------|-----------|
| Time of the Meeting | 4.00 PM | 4.00 PM | 4.00 PM | 4.00 PM | 4.00 PM |
| Nature of the Meeting | EGM | Board | AGM | AGM | AGM |
| Special resolutions put through postal ballot | None | 1 | None | None | None |
| Voting pattern | NA | 1,49,56,222 | NA | NA | NA |
| | | Were polled. Out of which, 10605 were rejected, 1430 were against, 1,49,45,617 were in favour | | | |
| Person conducted postal ballot | NA | Mr. G. Chandra Sekhar FCA, Chartered Accountant, Benguluru | NA | NA | NA |

Ensuing Annual General Meeting - Postal Ballots

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

VII. Disclosures

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

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

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

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

PRIME URBAN DEVELOPMENT INDIA LIMITED

c) Code of Conduct

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

d) Risk Management Framework

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

e) Details of Shareholdings of Non-Executive Directors:

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

VIII. Means of Communication

1. Quarterly Results: The Quarterly Results are generally published in "Business Line" and "Tamil Murasu".
2. Management Discussion & Analysis Report: The Management Discussion & Analysis Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control systems and adequacy, discussion on financial and operational performance and material developments in human resources are discussed in the said Report.

IX. General Shareholders' information

Annual General Meeting

| | |
|----------------------|---|
| Date of Book Closure | : 25 th July, 2013 to 2 nd August, 2013 (both days inclusive) |
| Day & Date | : Friday the 2 nd August 2013 |
| Time | : 4:00 P.M. |
| Venue | : Registered Office, 110, Avinashi Road, Gandhinagar P.O., Tirupur 641 603 in Tamil Nadu State |

Listing on Stock Exchanges : The Company is listed on Bombay Stock Exchange Ltd., and the Coimbatore Stock Exchange Ltd. Ceased to be a Recognized Stock Exchange as per SEBI order WTM/RKA/MRD/12/2013 dated 03.04.2013. The annual listing fee has been paid and there is no outstanding payment towards the Exchanges, as on date.

Stock Code : Bombay Stock Exchange Ltd. – 521149,

Financial Calendar (tentative)

| | |
|------------------------------------|--------------------------------|
| First Quarter Results | : First week of August, 2013 |
| Second Quarter/Half-Yearly Results | : Fourth week of October, 2013 |
| Third Quarter Results | : Fourth week of January, 2014 |
| Annual Audited Results | : Fourth week of May, 2014 |

Registered Office

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



Registrar and Transfer Agents

M/s. S.K.D.C. Consultants Limited

Kanapathy Towers 3rd Floor, 139/1A-1 Sathy Road, Ganapathy, Coimbatore 641 006, Tamilnadu

Phones: (0422) 2539835, Fax: (0422) 2539837 Email address: skdcobe@gmail.com

Share transfer system

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

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

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

The Company's Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India is L70200TZ1936PLC000001. The Company is registered in Tirupur, in the State of Tamil Nadu.

X. Market Price Data

The High and Low prices of the Company's share (of face value of Rs.2/- per share) from April 2012 to March 2013 [Source: BSE Website]:-

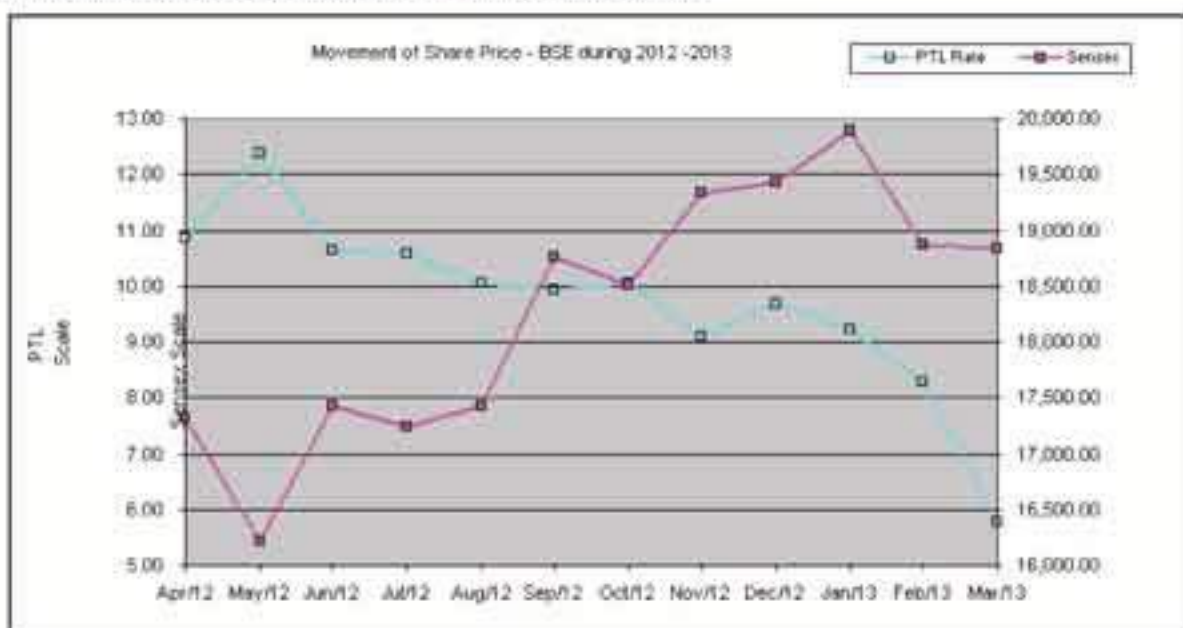
| Month | Month's High ₹ P. | Month's Low ₹ P. |
|----------------|----------------------|---------------------|
| April 2012 | 13.31 | 10.85 |
| May 2012 | 12.90 | 9.94 |
| June 2012 | 13.00 | 9.60 |
| July 2012 | 11.15 | 10.07 |
| August 2012 | 10.05 | 10.05 |
| September 2012 | 10.44 | 8.63 |
| October 2012 | 10.60 | 8.71 |
| November 2012 | 9.56 | 8.66 |
| December 2012 | 9.99 | 8.72 |
| January 2013 | 9.65 | 7.23 |
| February 2013 | 9.18 | 7.95 |
| March 2013 | 7.89 | 5.75 |

PRIME URBAN DEVELOPMENT INDIA LIMITED

XI. Distribution of Shareholding as on 31st March 2013

| Shares | Shareholders | Percentage | Shares held | Percentage |
|--------------------|--------------|---------------|-------------------|----------------|
| Upto 500 | 3,446 | 76.73 | 1,225,442 | 5.39% |
| 501-1000 | 503 | 11.20 | 420,887 | 1.85% |
| 1001-2000 | 227 | 5.05 | 346,154 | 1.52% |
| 2001-3000 | 102 | 2.27 | 261,831 | 1.15% |
| 3001-4000 | 45 | 1.00 | 154,661 | 0.68% |
| 4001-5000 | 36 | 0.80 | 173,198 | 0.76% |
| 5001-10000 | 46 | 1.03 | 330,738 | 1.45% |
| 10001 above | 86 | 1.92 | 19,830,689 | 87.20% |
| Grant Total | 4,491 | 100.00 | 22,743,600 | 100.00% |

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



XIII. Shareholding Pattern as on 31st March 2013

| Description of Investors | Number of shares held | Percentage of holding |
|------------------------------|-----------------------|-----------------------|
| Promoters | 15,012,356 | 66.01 |
| Directors and Relatives | 94,713 | 0.42 |
| Financial Institutions/Banks | 25,000 | 0.11 |
| Corporate Bodies | 1,140,257 | 5.01 |
| NRI and OCBs | 64,620 | 0.28 |
| Indian Public Individuals | 6,406,654 | 28.17 |
| Total | 22,743,600 | 100.00 |

XIV. Dematerialization of Shares and Liquidity

91.90% (20,901,225 equity shares) of the Company's paid-up Equity capital has been dematerialized up to 31st March 2013. Trading in Equity Shares is permitted only in dematerialized form as notified by SEBI. The volumes traded in stock exchanges not high.



XV Unclaimed Dividends

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

B. Non-Mandatory Requirements

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

The above report was adopted by the Board of Directors at their meeting held on 17th May 2013.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 17.05.2013

Purushottam Das Patodia
Chairman and Managing Director

PRIME URBAN DEVELOPMENT INDIA LIMITED

CHIEF EXECUTIVE OFFICER (CEO)

Declaration by the CEO under Clause 49 of the Listing Agreement

To
The Board of Directors
Prime Urban Development India Limited
Tirupur

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

- A. I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2013 and based on my knowledge and belief, I state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading.
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- B. I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- C. I hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the company.
- D. I accept responsibility for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operational of internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- E. I have indicated, based on our most recent evaluation, wherever applicable to the Auditors and Audit Committee:
- significant changes, if any, in the internal control over financial reporting during the year
 - significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

Place : Mumbai
Date : 17.05.2013

Purushottam Das Patodia
Chairman and Managing Director & CEO

CERTIFICATE BY CEO/DGM (Finance)

It is certified to the Board that :

- They have reviewed financial statements for the Year ended 31st March 2013 and that to the best of their knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- There are, to the best of their knowledge and belief, no transactions entered into by the company during the Year ended 31st March 2013 which are fraudulent, illegal or violative of the company's code of conduct.
- They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the Internal Control Systems of the company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- They have indicated to the auditors and the Audit Committee in case of any:
 - significant changes in internal control over financial reporting during the year
 - significant changes in accounting policies made during the Year and that the same have been disclosed in the notes to the financial statements and
 - instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

Purushottam Das Patodia
Chairman and Managing Director/CEO

Place : Mumbai
Date : 17.05.2013

S. Udayananda
DGM (Finance)



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

AUDITORS' CERTIFICATE

The Members of
M/s. Prime Urban Development India Limited
Tirupur

We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by M/s. Prime Urban Development India Limited (the Company) for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company in ensuring the compliance of conditions of Corporate Governance as stipulated in the above mentioned Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to:

1. Our reliance upon the certificate received by the Company from its Registrar and Transfer Agent for the number of complaints received from the shareholders and the number of complaints resolved during the financial year and that there are no share transfers pending as at 31st March 2013;
2. Our having relied on the representation of the management that there were no transactions of material nature with the management or their relatives that may have a potential conflict with the interest of the Company at large as stated in the disclosure of the Company's report on Corporate Governance.

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

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

For M.S.Jagannathan & Visvanathan
Chartered Accountants

M.J.Vijayaaghavan
Partner

Membership Number : 7534

Place: Mumbai
Date : 17.05.2013

PRIME URBAN DEVELOPMENT INDIA LIMITED

COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2013

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

To
The Members
PRIME URBAN DEVELOPMENT INDIA LIMITED
110, Avanashi Road,
TIRUPUR – 641 603.

Sirs,

I have examined the registers, records, books and papers of PRIME URBAN DEVELOPMENT INDIA LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March 2013 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- 1 The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
- 2 The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under.
- 3 The Company, being a public limited company has a paid up capital of ₹. 4,54,87,200/- and listed with BSE Limited (Bombay Stock Exchange Ltd) Mumbai.
- 4 The Board of Directors duly met four times respectively on 26.5.2012, 11.8.2012, 10.11.2012, and 12.2.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose.
- 5 The Company has closed its Register of Members for the period from 1.8.2012 to 11.8.2012 (both days inclusive) during the financial year.
- 6 The 75th Annual General Meeting for the financial year ended on 31st March, 2012 was held on 11.08.2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
- 7 No extra ordinary general meeting was held during the financial year.
- 8 The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act. However the Company has advanced to its subsidiary company a sum of ₹.1,517 thousands (previous year ₹.101 thousands).
- 9 The Company has not entered into any contracts falling within the purview of section 297 of the Act.
- 10 The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Board of Directors duly constituted the Share Transfer Committee of Directors has approved the issue of duplicate share certificates during the financial year.
13. i) There was no allotment/transfer/transmission of securities during the financial year.
ii) The Company has not declared any dividend during the financial year.
iii) The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
iv) The Company has transferred the amounts in Unpaid dividend account for the year 2004-05 which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund on 06.11.2012.
v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company's appointment of Managing Director/Whole-time Director/Manager has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act in respect of appointment of Mr.Purushottam Das Patodia, Chairman & Managing Director, Mr.Manoj Kumar Patodia, Vice Chairman & Managing Director and Mr.Anuj Patodia, Managing Director.
16. The Company has not appointed any sole selling agents during the financial year.



17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures and hence the question of redemption of preference shares/debentures does not arise during the financial year under review.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has complied with the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 the applicable directions issued by the Reserve Bank of India in respect of deposits accepted including unsecured loans taken, amounting to Rs. 8667 thousands (Previous year Rs.10665 thousands) raised by the company during the year and the company has filed the copy of Statement in lieu of Advertisement with the Registrar of Companies, Coimbatore. The Company has also filed Return of Deposits with the Registrar of Companies.
24. The borrowings made during the year ended 31.3.2013 is within the borrowing limits of the company.
25. The company has made loans, advances and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.
28. The company has not altered the provisions of the memorandum with respect to change of name of the company during the year under scrutiny and complied with the provisions of the Act.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association with respect to change of name of the company.
31. The Company has not changed its name during the year under scrutiny.
32. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
33. The Company has not received any amount as security from its employees during the year under certification and hence the provisions of section 417(1) of the Act were not applicable.
34. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place: Coimbatore
Date : 17.05.2013

S.RENGASAMY
Practicing Company Secretary
C.P.No.9901

ANNEXURE 'A'

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2013

PRIME URBAN DEVELOPMENT INDIA LIMITED

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

Registers as maintained by the Company:

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

Place: Coimbatore
Date : 17.05.2013

S.RENGASAMY
Practicing Company Secretary
C.P.No.9901

PRIME URBAN DEVELOPMENT INDIA LIMITED

ANNEXURE 'B'

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31ST MARCH 2013

PRIME URBAN DEVELOPMENT INDIA LIMITED

CIN : L70200TZ1936PLC000001

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

Forms and Returns filed by the Company with the Registrar of Companies during the Financial Year ending
31st March, 2013

| S.No. | Form No. Return | Filed u/s | For | Date of Filing Ch.No. | Whether filed within prescribed time | If delay in filing whether requisite additional fees paid |
|-------|------------------------|-------------|---|--------------------------|--------------------------------------|---|
| 1 | Form 62 | 58A | Return of Deposits as at 31.3.2012. | B42274605 29.06.2012 | Yes | Not applicable |
| 2 | Form 5INV | Rule 3 IEPF | Statement of unclaimed and paid amounts | S11083771 24.07.2012 | Yes | Not applicable |
| 3 | Form 23B | 224(1)(A) | Auditors Appointment for 2011-12 | S11576782 30.07.2012 | Yes | Not applicable |
| 4 | Form 62 | 58A | Statement in lieu of Advertisement | B45633310 17.08.2012 | Yes | Not applicable |
| 5 | Form 23 | 192 | Registration of Resolution | B56046584 24.08.2012 | Yes | Not applicable |
| 6 | Form 66 | 383A | Compliance Certificate for the YE 31.3.2012 | P88487830 17.08.2012 | Yes | Not applicable |
| 7 | Form 23B | 224(1)(A) | Auditors Appointment for 2012-13 | S140116303 08.09.2012 | Yes | Not applicable |
| 8 | Form 20B | 159 | Annual Return made upto 9.9.2012 | P88827654 10.09.2012 | Yes | Not applicable |
| 9 | Form 1INV | 205C | Payment of unpaid dividend to Investors Protection Fund | B61215695 05.11.2012 | Yes | Not applicable |
| 10 | Form 5INV | Rule 3 IEPF | Statement of unclaimed and unpaid amounts | S15622335 06.11.2012 | Yes | Not applicable |
| 11 | Form 23AC & 23ACA XBRL | 220 | Balance Sheet, Profit & Loss A/c as at 31.3.2012 | Q05780630 12.01.2013 | Yes | Not applicable |
| 12 | Form 25A | 269 | Approval of appointment of CMD | B66786872 31.01.2013 | Yes | Not applicable |
| 13 | Form 25A | 269 | Approval of appointment of VCMD | B66769910 31.01.2013 | Yes | Not applicable |
| 14 | Form 25A | 269 | Approval of appointment of MD | B66784257 31.01.2013 | Yes | Not applicable |

Regional Director: Nil

Central Government & Other Authorities: Nil

Place: Coimbatore

Date: 17.05.2013

S.RENGASAMY

Practicing Company Secretary

C.P.No.9901



INDEPENDENT AUDITOR'S REPORT

To the Members of Prime Urban Development India Limited
(Formerly Known as PRIME TEXTILES LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statement of Prime Urban Development India Limited ('the Company') which comprise the Balance sheet as at 31st March, 2013, the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of the significant accounting policy and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors, as on 31st March, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Mumbai
17.05.2013

M.J.Vijayaraghavan
Partner
(Membership No.7534)

PRIME URBAN DEVELOPMENT INDIA LIMITED

Annexure to the Auditor's Report

The Annexure referred in our report to the members of Prime Urban Development India Limited for the year ended 31st March 2013, we report that:

- i)
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets are physically verified in a phased manner, which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets and no material discrepancies were noted on such verification.
 - c) During the year, the fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- ii)
 - a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii)
 - a) The Company has not granted any loans secured or unsecured to firms, companies or other parties covered in the register maintained under section 301 and hence sub clauses b, c & d are not applicable.
 - b) The Company has taken advance from two parties during the previous year and outstanding at the year end ₹. 51,740 thousands and maximum outstanding during the year was ₹. 53,199 thousands.
 - c) In our opinion and according to the information and explanations given to us, other terms and conditions on which such loans have been taken from the subsidiary company covered in the Register maintained under section 301 of the Act are prima facie not prejudicial to the interest of the company;
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our Audit no major weakness has been noticed in the internal controls.
- v)
 - a) According to the information explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules 1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for the business activities carried out by the Company.
- ix)
 - a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Investor Education protection Fund, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and Cess were in arrears, at the year end for a period of more than six months from the date they became payable.



- c) According to the information and explanations given to us, there are following dues of which have not been deposited on account of dispute and the same is being contested by the Company.

| Srl. No. | Name of the Statute | Nature of the Dues | Amount (Rupees Thousands) | Period to which the amount relates | Forum where dispute is pending |
|----------|----------------------|--------------------|---------------------------|------------------------------------|---|
| 1. | Income tax Act, 1961 | Income tax | 4,444 | A.Y.2002-03 | Company circle, Tirupur Hon'ble High Court of Madras |
| | | | 55,109 | A.Y.2009-10 | |
| 2. | CST Act, 1956 | Central Sales Tax | 487 | F.Y.1993-94 | Sales Tax Appellate Tribunal |

- x) The Company does not have accumulated losses as at 31st March 2013. The Company has incurred cash loss of ₹ 15,442 thousands during the financial year covered by our audit and the Company has incurred cash loss of ₹ 28,714 thousands during the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information, the company has not defaulted in repayment of dues to Financial Institutions, Banks.
- xii) In our opinion and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a Nidhi/Mutual benefit fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xv) During the year, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the Company has not borrowed any term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we report that no funds raised on short time basis have been used for long term investments.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) The company has not issued any debentures during the year.
- xx) The company has not made any Public Issues during the year.
- xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

M.J.Vijayaaraghavan
Partner
(Membership No.7534)

Mumbai
17.05.2013

PRIME URBAN DEVELOPMENT INDIA LIMITED

BALANCE SHEET

₹ in Thousands

| Particulars | Note No. | As at 31.03.2013 | As at 31.03.2012 |
|------------------------------------|----------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 45,487 | 45,487 |
| (b) Reserves and Surplus | 2 | 1,547,090 | 1,567,197 |
| | | <u>1,592,577</u> | <u>1,612,684</u> |
| (2) Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 56,400 | 54,570 |
| (b) Other Long term liabilities | | 127,011 | 127,011 |
| (c) Long-term provisions | | 4,044 | 3,960 |
| | | <u>187,455</u> | <u>185,541</u> |
| (3) Current liabilities | | | |
| (a) Short-term borrowings | 4 | 146,270 | 91,418 |
| (b) Trade payables | | 29,118 | 13,228 |
| (c) Other Current liabilities | | 26,949 | 11,425 |
| (d) Short-term provisions | | 553 | - |
| | | <u>202,890</u> | <u>116,071</u> |
| Total | | <u>1,982,922</u> | <u>1,914,296</u> |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 5 | | |
| (i) Tangible assets | | 1,577,954 | 1,577,107 |
| Sub-total -(a) | | <u>1,577,954</u> | <u>1,577,107</u> |
| (b) Non-current investments | | 72,983 | 73,003 |
| (c) Long-term loans and advances | | 19,953 | 10,933 |
| Sub-total -(b) | | <u>92,936</u> | <u>83,936</u> |
| Total (a) + (b) | | <u>1,670,890</u> | <u>1,661,043</u> |
| (2) Current assets | | | |
| (a) Current investments | 6 | - | 2,175 |
| (b) Inventories | | 120,328 | 127,498 |
| (c) Trade receivables | | 46,600 | 1,331 |
| (d) Cash and Cash equivalents | | 3,336 | 13,955 |
| (e) Short-term loans and advances | | 93,684 | 61,250 |
| (f) Other current assets | | 48,084 | 47,044 |
| | | <u>312,032</u> | <u>253,253</u> |
| Total | | <u>1,982,922</u> | <u>1,914,296</u> |

Significant Accounting Policies and accompanying notes - 16-17

The accompanying notes are integral part of financial statements

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

Manoj Kumar Patodia
Vice Chairman & Managing Director

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

M.J.Vijayaraghavan
Partner M.No.7534

Anuj Patodia
Managing Director

Banwarilal Singhal
Director

Place : Mumbai
Date : 17.05.2013



STATEMENT OF PROFIT AND LOSS ACCOUNT

₹ in Thousands

| Particulars | Note No. | As at 31.03.2013 | As at 31.03.2012 |
|---|----------|---------------------|---------------------|
| Income | | | |
| 1 Revenue from operations: | 7 | 243,924 | 266,598 |
| 2 Other income | 8 | 1,719 | 4,511 |
| 3 Total Revenue (1 + 2) | | 245,643 | 271,109 |
| Expenses | | | |
| 4 (a) Cost of Land sold | 9 | 3,825 | 94,947 |
| (b) Purchases of Stock-in-Trade | 10 | 188,737 | 86,160 |
| (c) Changes in inventories of finished goods and Stock-in-trade | 11 | 3,345 | 5,529 |
| (d) Employee benefit expenses | 12 | 19,264 | 18,478 |
| (e) Finance cost | 13 | 16,664 | 18,677 |
| (f) Depreciation and amortisation expenses | | 2,056 | 1,996 |
| (g) Other expenses | 14 | 29,250 | 31,531 |
| Total expenses (a to g) | | 263,141 | 257,318 |
| 5 Profit/(-) Loss before exceptional and extraordinary items and tax | | (17,498) | 13,791 |
| 6 Exceptional expenses | 15 | - | 44,500 |
| 7 Profit/(-) Loss before extraordinary items and tax | | (17,498) | (30,709) |
| 8 Extraordinary items | | - | - |
| 9 Profit/(-) Loss Before Tax | | (17,498) | (30,709) |
| 10 Tax expense : | | | |
| (a) Current Tax | | - | - |
| (b) Deferred Tax | | - | - |
| 11 Profit/(-) Loss for the year from continuing operations | | (17,498) | (30,709) |
| 12 Earnings Per Equity Share : | | | |
| Basic/Diluted Earnings Per Share before exceptional/extraordinary items | | (0.77) | 0.61 |
| Basic/Diluted Earnings Per Share after exceptional/extraordinary items | | (0.77) | (1.35) |
| (Face value of Rs. 2 each) | | | |

Significant Accounting Policies and accompanying notes 16-17

The accompanying notes are integral part of financial statements

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

Manoj Kumar Patodia
Vice Chairman & Managing Director

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

M.J.Vijayaraaghavan
Partner M.No.7534

Anuj Patodia
Managing Director

Banwarilal Singhal
Director

Place : Mumbai
Date : 17.05.2013

PRIME URBAN DEVELOPMENT INDIA LIMITED

CASH FLOW STATEMENT

₹ in Thousands

| Particulars | Year Ended 31.03.2013 | Year Ended 31.03.2012 |
|---|--------------------------|--------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit/(Loss) before tax and extra ordinary items | (17,498) | 13,791 |
| Adjustments for: | | |
| Depreciation | 2,056 | 1,996 |
| Loss on sale of tangible assets (net) | 834 | 202 |
| Interest income | (172) | (328) |
| Finance cost | 16,664 | 18,677 |
| Operating profit before working capital changes | 1,884 | 34,338 |
| Changes in Working Capital: | | |
| Increase / (Decrease) in trade payables | 15,891 | (803) |
| Increase / (Decrease) in provisions | 85 | 613 |
| Increase / (Decrease) in other current liabilities | 16,044 | (46,881) |
| Increase / (Decrease) in Short Term Borrowings | 54,851 | (58,479) |
| (Increase) / Decrease in trade receivables | (45,269) | (352) |
| (Increase) / Decrease in inventories | 7,170 | 100,477 |
| (Increase) / Decrease in margin money and unpaid dividend | (43) | 9 |
| (Increase) / Decrease in Short Term loans and advances | (32,434) | (1,916) |
| (Increase) / Decrease in other current assets | (1,041) | 5 |
| (Increase) / Decrease in Long Term loans and advances | (3) | 3 |
| Cash Generated from Operations | 17,135 | 27,014 |
| Taxes paid (net of refunds) | (9,017) | 950 |
| Net cash generated from operations before exceptional items | 8,118 | 27,964 |
| Exceptional items | - | (44,500) |
| Net cash generated from operating activities | 8,118 | (16,536) |
| B. Cash flow from Investing Activities: | | |
| Purchase of tangible/intangible assets | (7,082) | (2,637) |
| Sale of tangible/intangible assets | 735 | 1,381 |
| Interest received | 172 | 328 |
| Sale/ (Purchase) of non-current investments | 2,195 | 54,520 |
| Net cash from investing activities | (3,980) | 53,592 |
| C. Cash flow from Financing Activities | | |
| Finance Cost | (16,632) | (19,979) |
| Proceeds from Long Term borrowings | 1,830 | (18,498) |
| Net cash used in Financing Activities | (14,802) | (38,477) |
| Net increase in cash and cash equivalents | (10,664) | (1,421) |
| Cash and Bank balances at the beginning of the year | 11,761 | 13,182 |
| Cash and Bank balances at the end of the year | 1,097 | 11,761 |
| Reconciliation of Cash and Cash Equivalents with the Balance sheet | | |
| Cash and Cash equivalents as per Balance Sheet | 3,336 | 13,955 |
| Less : Bank Balances not considered as Cash and Cash equivalents: | | |
| Margin Money Deposit | 1,922 | 1,769 |
| Unpaid dividend | 317 | 425 |
| Net Cash and Cash equivalents at the year end | 1,097 | 11,761 |

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

As per our report of even date annexed

For M.S. JAGANNATHAN & VISVANATHAN

Chartered Accountants

M.J.Vijayaraaghavan

Partner M.No.7534

Place : Mumbai

Date : 17th May 2013

For and on behalf of the Board

Purushottam Das Patodia

Chairman & Managing Director

Banwarilal Singhal

Director

Manoj Kumar Patodia

Vice Chairman and Managing Director

Anuj Patodia

Managing Director



NOTES TO THE FINANCIAL STATEMENT

Note 1 : Share Capital

| | As at 31st March, 2013 | | As at 31st March, 2012 | |
|----------------------------------|------------------------|----------------|------------------------|----------------|
| | Number | ₹ in Thousands | Number | ₹ in Thousands |
| Authorised | | | | |
| Equity Shares of ₹. 2 each | 62,500,000 | 125,000 | 62,500,000 | 125,000 |
| Preference Shares of ₹. 100 each | 750,000 | 75,000 | 750,000 | 75,000 |
| Issued | | | | |
| Equity Shares of ₹. 2 each | 22,744,300 | 45,489 | 22,744,300 | 45,489 |
| Subscribed and paid up: | | | | |
| Equity Shares of ₹. 2 each | 22,743,600 | 45,487 | 22,743,600 | 45,487 |

Note 1(a) - Equity Shares of more than 5% of Equity Shares are held by :

| Name of the Shareholder | Number of shares held | Percentage of Holding | Number of shares held | Percentage of Holding |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Anjana Syntex Company Limited | 5,301,620 | 23.310% | 4,843,120 | 21.294% |
| Pat Credit Limited | 6,368,710 | 28.002% | 6,368,710 | 28.002% |

1(b) - 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.

1(c) - The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share.

1(d) - There is no change in the number of shares outstanding at the beginning and at the end of the year.

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement

₹ in Thousands

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| Note 2 | | |
| Reserve and Surplus | | |
| (a) General Reserve: | | |
| Opening Balance | 227,617 | 183,117 |
| Add : Transfer from Profit and Loss Account | - | 44,500 |
| Closing Balance | 227,617 | 227,617 |
| (b) Business Reconstruction Reserve : | | |
| Opening Balance | 1,274,608 | 1,319,108 |
| Less: Reduction due to a portion of land Sold | 2,609 | - |
| Less: Transfer to Profit and Loss account below | - | 44,500 |
| Closing Balance | 1,271,999 | 1,274,608 |
| (c) Surplus/(Deficit) in Profit and Loss account | | |
| Opening Balance | 64,972 | 95,681 |
| Add : Profit/(-) Loss after Tax | (17,498) | (30,709) |
| Add : Transfer from Business Reconstruction Reserve (**) | - | 44,500 |
| Less: Transfer to General Reserve | - | 44,500 |
| Closing Balance | 47,474 | 64,972 |
| (**) in respect of exceptional items | | |
| Total | 1,547,090 | 1,567,197 |

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|------------------------|---------------------------|------------------------|---------------------------|
| | Secured (I) | Unsecured (II) | Secured (I) | Unsecured (II) |
| Note 3 | | | | |
| Non-Current Liabilities | | | | |
| (a) Long Term Borrowings: | | | | |
| (i) Deferred payment liabilities : | | | | |
| Hire-purchase loan | 4,610 | - | 1,171 | - |
| (ii) Deposits | | | | |
| From Public | - | 50 | - | 200 |
| (iii) Loans and Advances from related parties | | | | |
| | | 51,740 | | 53,199 |
| | 4,610 | 51,790 | 1,171 | 53,399 |
| Sub-total (a) | | 56,400 | | 54,570 |
| Nature of Security : | | | | |
| Hire purchase loans are secured against vehicles acquired. | | | | |
| Terms of Repayment : | | | | |
| Hire purchase loan liabilities and terms to pay last instalment due is on 1.9.2016 and rate of interest is 10.50% per annum. | | | | |
| (b) Other Long Term Liabilities | | As at 31st March, 2013 | | As at 31st March, 2012 |
| Due to a Partnership firm in which Company is a partner | | 127,011 | | 127,011 |
| Sub-total (b) | | 127,011 | | 127,011 |
| (c) Long Term Provisions | | | | |
| Provision for Employee benefits: | | | | |
| - Superannuation | | 2,056 | | 918 |
| - Gratuity | | 1,988 | | 3,042 |
| Sub-total (c) | | 4,044 | | 3,960 |
| Total | | 187,455 | | 185,541 |



Notes to the Financial Statement

₹ in Thousands

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|------------------------|---------------------------|------------------------|---------------------------|
| | Secured (I) | Unsecured (II) | Secured (I) | Unsecured (II) |
| Note 4 | | | | |
| Current Liabilities | | | | |
| (a) Short Term Borrowings | | | | |
| (i) Loan repayable on demand From Banks | 12,421 | – | 2,152 | – |
| (ii) Deposits | | | | |
| From Public | – | 8,617 | – | 10,465 |
| From Inter-corporates | – | 125,232 | – | 78,801 |
| | <u>12,421</u> | <u>133,849</u> | <u>2,152</u> | <u>89,266</u> |
| Sub-total (a) | | <u>146,270</u> | | <u>91,418</u> |
| Nature of Security | | | | |
| Secured loans are secured against hypothecation of current assets and further secured by way of second charge over the land of an Associate Company and further guaranteed by three of the Directors of the Company | | | | |
| | | As at 31st March, 2013 | | As at 31st March, 2012 |
| (b) Trade payable | | | | |
| (i) Due to micro, small and medium Enterprises (MSME'S) ^(*) | | – | | – |
| (ii) Due to suppliers and service providers | | 28,808 | | 12,922 |
| (ii) Others | | 310 | | 308 |
| Sub-total (b) | | <u>29,118</u> | | <u>13,228</u> |
| (*) Also refer para no. 2 in additional information to the financial statement | | | | |
| (c) Other Current Liabilities | | | | |
| (i) Current maturities of long-term debts | | 1,797 | | 1,371 |
| (ii) Current maturities of finance lease obligations (in part) | | 1,173 | | 1,109 |
| (ii) Interest accrued but not due on borrowings | | 71 | | 38 |
| (iv) Unpaid dividends | | 317 | | 425 |
| (v) Other payables | | | | |
| Statutory dues payable | | 1,115 | | 1,481 |
| Advance from customers | | 12,476 | | 7,001 |
| Advance for Projects | | 10,000 | | – |
| Sub-total (c) | | <u>26,949</u> | | <u>11,425</u> |
| (d) Short Term Provisions | | | | |
| Provision for Employee benefits | | | | |
| Gratuity | | 553 | | – |
| Sub-total (d) | | <u>553</u> | | <u>–</u> |
| Total | | <u>202,890</u> | | <u>116,071</u> |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement

Note 5 : (a) Fixed Assets

₹ in Thousands

| Particulars | GROSS BLOCK | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | | |
|-------------------------------|--------------------|--------------|--------------|--------------------------|-------------------|--------------|--------------|-------------------|--------------------|--------------------|
| | As on 31.3.2012 | Additions | Deductions | As at 31.3.2013 | Upto 31.3.2012 | For the Year | Withdrawn | Upto 31.3.2013 | As on 31.3.2013 | As on 31.3.2012 |
| Tangible Assets : | | | | | | | | | | |
| Land - free hold | 1,565,857 | - | 2,611 | 1,563,246 | - | - | - | - | 1,563,246 | 1,565,857 |
| Buildings | 2,000 | 506 | - | 2,506 | 1,241 | 26 | - | 1,267 | 1,239 | 759 |
| Furniture & Office Equipments | 12,084 | 73 | - | 12,158 | 9,593 | 622 | - | 10,215 | 1,941 | 2,491 |
| Motor Vehicles | 14,074 | 6,503 | 3,085 | 17,491 | 6,074 | 1,408 | 1,519 | 5,963 | 11,527 | 8,000 |
| Total | 1,594,015 | 7,082 | 5,696 | 1,595,399 | 16,908 | 2,056 | 1,519 | 17,445 | 1,577,954 | 1,577,107 |
| Previous year end Total | 1,595,408 | 2,637 | 4,030 | 1,594,015 | 17,358 | 1,996 | 2,446 | 16,908 | 1,577,107 | |

Note :

- Vehicles acquired on Hire-Purchase basis amounting to Rs.8,444 thousands (Previous year ₹. 7,789 thousands) and net block amounts to ₹. 8,366 (Previous year ₹. 7,737thousands)

₹ in Thousands

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | Quoted (I) | Un-Quoted (II) | Quoted (I) | Un-Quoted (II) |
| Note 5 | | | | |
| (b) Non-current investments (At cost) | | | | |
| (i) Investment in Equity Instruments | | | | |
| (a) Subsidiaries - Trade | | | | |
| ATL Textile Processors Limited (10,37,450 shares of ₹.10 each) | - | 51,445 | - | 51,445 |
| Mang Yam Processors Limited (50,900 shares of ₹.10 each) | - | 509 | - | 509 |
| Pee Dee Yam Processors Limited (10,900 shares of ₹.10 each) | - | 109 | - | 109 |
| (b) Other entities - Non-Trade | | | | |
| Velan Hotels Limited (2,000 shares of ₹.10 each) | - | - | 20 | - |
| Tripur Infrastructure Development Company Limited (500 shares of ₹.1000 each) | - | 500 | - | 500 |
| (ii) Investment in Partnership firms / AOP | | | | |
| Prime Developers | - | 100 | - | 100 |
| Prime Mall Developers | - | 100 | - | 100 |
| Prime Newline AOP | - | 20,220 | - | 20,220 |
| Aggregate amount of Quoted and Unquoted investments | - | 72,983 | 20 | 72,983 |
| Sub-total (b) (i) + (ii) | - | 72,983 | - | 73,003 |
| Aggregate amount of market value of quoted investments | - | - | 36 | - |



Notes to the Financial Statement

Not 5(b) Contd.

₹ in Thousands

| Name of the Partners in the firm/AOP | Year Ended 31.03.2013 | | |
|---|-----------------------|-----------------|----------------|
| | Total Capital | Share of Profit | Share of Loss |
| Prime Developers : (Note below) | | | |
| 1 Prime Urban Development India Limited | 100 | 50.00% | 66.66% |
| 2 Pudumjee Industries Limited | 100 | 12.50% | 16.67% |
| 3 Suma Commercial India Private Limited | — | 12.50% | 16.67% |
| 4 Aristo Realty Developers Limited | — | 25.00% | — |
| | <u>200</u> | <u>100.00%</u> | <u>100.00%</u> |
| Prime Mall Developers : | | | |
| 1 Prime Urban Development India Limited | 100 | 50.00% | 66.66% |
| 2 Pudumjee Plant Laboratories Limited | 100 | 25.00% | 33.34% |
| 3 Aristo Realty Developers Limited | — | 25.00% | — |
| | <u>200</u> | <u>100.00%</u> | <u>100.00%</u> |
| Prime Newline - AOP : | | | |
| 1 Prime Urban Development India Limited | 20,220 | 75.00% | 75.00% |
| 2 Newline Buildtech Private Limited | 6,740 | 25.00% | 25.00% |
| | <u>26,960</u> | <u>100.00%</u> | <u>100.00%</u> |

Note: Contingent liability of a Firm : (a) in respect of Income Tax ₹. 43530.11 thousands and (b) in respect of Service ₹. 23,284.90 thousands.

₹. in Thousands

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| (c) Long-term Loans and Advances | | |
| (i) Security Deposits | 1,708 | 1,705 |
| (ii) Other loans and advances | | |
| Advance income tax (Net of provision) | 18,245 | 9,228 |
| Sub-total (c) | <u>19,953</u> | <u>10,933</u> |

Rupees in Thousands

| | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| Note 6 | | |
| (a) Current Investments (At cost) | | |
| Trade, Quoted | | |
| Investment in Mutual Funds/Bonds | — | 2,175 |
| (Pr.Yr; 8% Indian Railway Finance Corp. Tax free Bond :2175 Units at ₹. 1000 each) | | |
| Sub-total (a) | <u>—</u> | <u>2,175</u> |
| Aggregate amount of quoted investments and market value thereof | — | 2,159 |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement

Not 6 Contd.

₹ in Thousands

| | As at 31st March, 2013 | As at 31st March, 2011 |
|---|---------------------------|---------------------------|
| Note 6 | | |
| (b) Inventories | | |
| (i) Finished goods - At cost or Net realisable value whichever is lower | 3,162 | 6,507 |
| (ii) Land - Valued at lower of Cost and Net realisable value | 117,166 | 120,991 |
| Sub-total (b) | <u>120,328</u> | <u>127,498</u> |
| (c) Trade Receivables (current) (Unsecured and considered good unless otherwise stated) | | |
| Doubtful outstanding Exceeding six month from the due date | 1,381 | 1,381 |
| Less : Provision for doubtful debts | <u>(1,381)</u> | <u>(1,381)</u> |
| | - | - |
| Outstanding Exceeding six months from the due date | 533 | 499 |
| Others | <u>46,067</u> | <u>832</u> |
| Sub-total (c) | <u>46,600</u> | <u>1,331</u> |
| (d) Cash and Cash Equivalants | | |
| Cash and Cash equivalents | | |
| (i) Cash on hand | 192 | 611 |
| (ii) Balances with bank | | |
| In current account | <u>905</u> | <u>11,150</u> |
| | <u>1,097</u> | <u>11,761</u> |
| Other Earmarked Accounts | | |
| (i) Unpaid Dividend accounts | 317 | 425 |
| (ii) In Deposits under lien | <u>1,922</u> | <u>1,769</u> |
| | <u>2,239</u> | <u>2,194</u> |
| Sub-total (d) | <u>3,336</u> | <u>13,955</u> |
| (e) Short-term loans and advances | | |
| (i) Balance in Partners' Current account | 84,918 | 56,825 |
| (ii) Loans and advances to : | | |
| - Subsidiaries | 1,517 | 101 |
| - Associates | 2,508 | 56 |
| - Others | <u>4,741</u> | <u>4,268</u> |
| Sub-total (e) | <u>93,684</u> | <u>61,250</u> |
| (f) Other current assets | | |
| (i) Claim receivable | 46,800 | 46,800 |
| (ii) Interest and other receivables | <u>1,284</u> | <u>244</u> |
| Sub-total (f) | <u>48,084</u> | <u>47,044</u> |
| Note 7 | | |
| Revenue from operations : | | |
| Textile Segment | | |
| Cotton Yam | 64,749 | 88,764 |
| Knitted Garments & Fabrics | 151,450 | 3,024 |
| Export Incentives | <u>1,223</u> | <u>4,294</u> |
| Sub-total - Textile | <u>217,422</u> | <u>96,082</u> |
| Realty Segment | | |
| Sale of Land (net of cost of Rs.2611 thousand; previous year Rs.5 thousand) | 13,600 | 7,897 |
| Sale of Land - converted in to stock in trade | 12,358 | 162,361 |
| Share of Profit from a firm | 428 | 216 |
| Incidental income | <u>116</u> | <u>42</u> |
| Sub-total - Realty | <u>26,502</u> | <u>170,516</u> |
| Total | <u>243,924</u> | <u>266,598</u> |

Notes to the Financial Statement



Not 8 Contd.

₹ in Thousands

| | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| Note 8 | | |
| Other Income | | |
| Interest | 172 | 328 |
| Commission receipts | 886 | 962 |
| Dividend | 362 | 1,516 |
| Miscellaneous income | 275 | 283 |
| Liabilities no longer payable written back | - | 1,422 |
| Profit on sale of investments | 24 | - |
| Total | 1,719 | 4,511 |
| Note 9 | | |
| Cost of Land | | |
| Cost of Land sold - converted in to stock in trade | 3,825 | 94,947 |
| | <u>3,825</u> | <u>94,947</u> |
| Note 10 | | |
| Purchase of Stock-in-Trade | | |
| Purchase of Traded - Cotton yarn and Fabric | 188,737 | 86,160 |
| | <u>188,737</u> | <u>86,160</u> |
| Note 11 | | |
| Changes in Stock of Finished Goods and Stock - in- trade | | |
| Stock at Commencement: | | |
| Finished Goods | 6,507 | 12,036 |
| | <u>6,507</u> | <u>12,036</u> |
| | (A) | |
| Less : | | |
| Stock at Closing: | | |
| Finished Goods | 3,162 | 6,507 |
| | <u>3,162</u> | <u>6,507</u> |
| | (B) | |
| Net Value (A) -(B) | 3,345 | 5,529 |
| Note 12 | | |
| Employee Benefits | | |
| Salaries, Wages, Bonus and others | 15,837 | 15,068 |
| Contribution to Provident and other Funds | 2,783 | 2,797 |
| Welfare Expenses | 644 | 613 |
| Total | 19,264 | 18,478 |
| Note 13 | | |
| Finance cost | | |
| Interest on Borrowings | 16,664 | 18,125 |
| Other finance cost | - | 552 |
| Total | 16,664 | 18,677 |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement

Not 6 Contd.

₹ in Thousands

| | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| Note 14 | | |
| Other Expenses | | |
| Insurance | 309 | 377 |
| Rates and taxes | 1,851 | 767 |
| Sitting Fees | 195 | 180 |
| Power and Fuel Consumed | 622 | 527 |
| Rent | 2,757 | 2,879 |
| Repairs - Building | 144 | 2,495 |
| Other Repairs | 362 | 409 |
| Communication Expenses | 1,039 | 1,005 |
| Travelling and Conveyance | 7,737 | 6,962 |
| Sales Commission | 1,128 | 2,751 |
| Freight and Forwarding | 1,404 | 1,973 |
| Donation | 83 | 107 |
| Legal and Professional fees | 3,094 | 1,617 |
| Auditors Remunerabon | 208 | 300 |
| Loss on Sale of Assets | 834 | 202 |
| Bad and Doubtful Debts written off | - | 122 |
| Share of Loss in AOP in which Company is a Member | 3,873 | 4,286 |
| Bank Charges | 264 | 428 |
| Miscellaneous expenses | 3,346 | 4,144 |
| Total | 29,250 | 31,531 |
| Note 15 | | |
| Exceptional Expenses | | |
| Loss on disposal of Long Term Investments | - | 44,500 |
| Total | - | 44,500 |



Notes to the Financial Statement

Not 16

Additional information to the financial statements

₹ in Thousands

1. Contingent liabilities and commitments

| Particulars | | As at 31.03.2013 | As at 31.03.2012 |
|--|--|---------------------|---------------------|
| a. Contingent liabilities (to the extent not provided for) | | | |
| Disputed Tax Demands (Including interest up to the date of demand) | | | |
| (a) | Sales Tax, Cess Etc. | 922 | 1,007 |
| (b) | Income Tax (Tax deposits ₹. 14125 thousands; pr.yr. ₹. 5203 thousands) | 71,612 | 183,216 |
| b. Commitments | | | |
| (ii) | Other money for which the company is contingently liable; Export Documentary bills discounted with Bank (Since Realized- ₹. 3,749 thousand Previous year – ₹. 7,425 Thousands) | 25,512 | 15,443 |

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

₹ in Thousands

| Particulars | | 31.03.2013 | 31.03.2012 |
|-------------|--|------------|------------|
| (i) | Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year | NIL | NIL |
| (ii) | Interest paid along with the amounts of the payment made to the supplier beyond the appointed day | NIL | NIL |
| (iii) | The amount of interest due and payable for the year | NIL | NIL |
| (iv) | The amount of interest accrued and remaining unpaid at the end of the accounting year | NIL | NIL |
| (v) | The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid. | NIL | NIL |

3. Expenditure in foreign currency :

₹ in Thousands

| Particulars | | 31.03.2013 | 31.03.2012 |
|-------------|---------------------|------------|------------|
| a. | Sales commission | 966 | 1,521 |
| b. | Travelling expenses | 780 | 569 |

4. Earnings in foreign exchange :

₹ in Thousands

| Particulars | | 31.03.2013 | 31.03.2012 |
|-------------|---|------------|------------|
| a. | Export of goods calculated on FOB basis | 62,982 | 85,383 |

5. Details of consumption of imported and indigenous items :

₹ in Thousands

| Particulars | | 31.03.2013 | | 31.03.2012 | |
|----------------|--|------------|------|------------|------|
| Traded goods : | | | % | | % |
| Indigenous | | 188,737 | 100% | 86,160 | 100% |
| Imported | | - | | - | |

6. a. 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.
- b. 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.

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement (Contd.)

7. Auditors Remuneration : ₹ in Thousands

| Particulars | 31.03.2013 | 31.03.2012 |
|----------------|------------|------------|
| Audit fees | 128 | 157 |
| Tax Audit fees | 17 | 17 |
| Other fees | 63 | 126 |
| Total | 208 | 300 |

8. Employee Benefit Plans :

Defined contribution plans :

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

₹ in Thousands

| Particulars | 2012-2013 | 2011-2012 |
|--------------------------------|-----------|-----------|
| a. Provident Fund Contribution | 1,441 | 1,341 |
| b. Superannuation/Gratuity | 1,342 | 1,456 |

Defined Benefit plan :

The Company offers Gratuity scheme to its employees :

| | 31.03.2013 | 31.03.2012 |
|---|------------|------------|
| 01. Assumptions | | |
| Discount Rate | 8% | 8% |
| Salary Escalation | 7% | 7% |
| 02. Changes in the present value of obligation | | |
| Present value of obligation as at beginning of year | 3,667 | 3,414 |
| Interest Cost | 293 | 273 |
| Current Service Cost | 130 | 120 |
| Benefits paid | (159) | (560) |
| Actuarial Loss/(Gain) on obligations | (511) | 420 |
| Present value of obligations as at the end of year | 3,420 | 3,667 |
| 03. Changes in the fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 626 | 209 |
| Expected return on plan assets | 78 | 35 |
| Contributions | 491 | 942 |
| Benefits paid | (159) | (560) |
| Actuarial Gain/(Loss) on Plan assets | Nil | NIL |
| Fair value of plan assets at the end of year | 1,036 | 626 |
| 04. Fair value of plan assets | | |
| Fair value of plan assets at beginning of the year | 626 | 209 |
| Actual return on plan assets | 78 | 35 |
| Contributions | 491 | 942 |
| Benefits paid | (159) | (560) |
| Fair value of plan assets at the end of year | 1036 | 626 |
| Funded status | (2,384) | (3,041) |
| 05. Actuarial Gain/Loss recognized | | |
| Actuarial gain /(Loss) for the year - obligation | 511 | (420) |
| Actuarial gain/(Loss) for the year - plan assets | Nil | NIL |
| Total Loss/ (gain) for the year | (511) | 420 |
| Actuarial Loss/(Gain) recognized in the year | (511) | 420 |



Notes to the Financial Statement (Contd.)

| | Particulars | 2012-2013 | 2011-2012 |
|-----|---|-----------|-----------|
| 06. | Amounts recognized in the balance sheet and Profit & Loss | | |
| | Present value of obligations as at the end of the year | 3,420 | 3,667 |
| | Fair value of plan assets as at the end of the year | 1,036 | 626 |
| | Funded status | (2,384) | (3,041) |
| | Net Asset/(Liability) recognized in balance sheet | (2,384) | 3,041 |
| 07. | Expenses charged in statement of Profit and Loss account | | |
| | Current Service cost | 130 | 120 |
| | Interest Cost | 293 | 273 |
| | Expected return on plan assets | (77) | (35) |
| | Net Actuarial loss/(gain) recognized in the year | (511) | 420 |
| | Expenses recognized in statement of Profit and Loss account | (165) | 779 |

9. Segment Information :

₹ in Thousands

| | Particulars | 2012-2013 | 2011-2012 |
|----|----------------------------------|-----------|-----------|
| a. | Realty | 26,502 | 1,70,516 |
| b. | Textiles | 2,17,422 | 96,082 |
| | Segment Results : | | |
| a. | Realty | (14,688) | 64,628 |
| b. | Textiles | 17,039 | (29,088) |
| | Total | 2,350 | 35,540 |
| | Less : Interest | 16,664 | 18,676 |
| | Less : Exceptional items | - | 44,500 |
| | Less : Un-allocable expenditure | 3,184 | 3,072 |
| | Profit/(Loss) before expenditure | (17,498) | (30,709) |
| | Less : Extraordinary items | - | - |
| | Profit/(Loss) before tax | (17,498) | (30,709) |
| | Capital Employed | | |
| a. | Realty | 16,72,836 | 16,54,411 |
| b. | Textiles | 1,22,410 | 1,06,079 |

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

List of Related Parties and nature of relationships:

| | | |
|-------|--|--|
| (i) | Wholly owned subsidiaries : | ATL Textile Processors Limited Manoj Yarn Processors Limited Pee Dee Yarn Processors Limited |
| (ii) | Associates: | Aadarsh Jann Aawaash Limited Prime Developers Prime Mall Developers Prime New line AOP |
| (iii) | Key Managerial Personnel : | Mr. Pursuhottam Das Patodia Chairman & Managing Director Mr. Manoj Kumar Patodia Vice Chairman & Managing Director Mr. Anuj Patodia Managing Director |
| (iv) | Enterprises having Common Key Management Personnel | Pat Credit Limited Anjana Syntex Co. Limited |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement (Contd.)

| | | |
|-----|---------------------------------------|---|
| (v) | Relatives of Key Managerial Personnel | Mrs.Indira Devi Patodia wife of Mr. Purushottam Das Patodia Mrs.Nandita Patodia wife of Mr. Manoj Kumar Patodia Mrs.Meenal Patodia wife of Mr.Anuj Patodia |
|-----|---------------------------------------|---|

Transactions with related parties in the ordinary course of business :

₹ in Thousands

| Sl | Nature of Transaction | Subsidiary Companies | Associates | Key Managerial Personnel | Enterprises /Relatives of Key Managerial Personnel | Total |
|----|---|----------------------|------------|--------------------------|--|------------|
| 1 | Rent received | - | - | - | - | - |
| 2 | Share of Profit / (Loss) from firms | - | -3,445 | - | - | -3,445 |
| | | - | (-4,070) | - | - | (-4,070) |
| 3 | Expenses reimbursed from | 79 | 1,830 | - | - | 1,909 |
| | | (159) | (2,959) | - | - | (3,118) |
| 4 | Interest paid | - | - | 24 | 848 | 872 |
| | | - | - | (129) | (374) | (503) |
| | Interest received | - | 9 | - | - | 9 |
| | | - | - | - | - | - |
| 5 | Directors' Remuneration Paid/sitting fees | - | - | 14,234 | 165 | 14,399 |
| | | - | - | 13,058 | 185 | 13,244 |
| 6 | Balance as on 31.3.2013 | | | | | |
| | Amount Payable: | | | | | |
| | ATL Textile Processors Ltd. | 51,381 | - | - | - | 51,381 |
| | | (52,828) | - | - | - | (52,828) |
| | Pee Dee Yarn Processors Ltd | 359 | - | - | - | 359 |
| | | (371) | - | - | - | (371) |
| | Prime Mall Developers | - | 1,27,011 | - | - | 1,27,011 |
| | | - | (1,27,011) | - | - | (1,27,011) |
| 7 | Amount Receivable: | | | | | |
| | Manoj Yarn Processors Ltd. | 1,515 | - | - | - | 1,515 |
| | | (101) | - | - | - | (101) |
| | Aadarsh Jann Aawaash Ltd | - | - | - | - | - |
| | | - | (56) | - | - | (56) |
| | Prime Developers | - | 45,495 | - | - | 45,495 |
| | | - | (44,106) | - | - | (44,106) |
| | Prime Newline AOP | - | 40,541 | - | - | 40,541 |
| | | - | (12,719) | - | - | (12,719) |

Notes:

- The related parties have been identified by the Management and relied upon by the auditors.
- No amount has been provided for/written off/written back, pertaining to related parties.
- Figures in bracket represents previous year's figures.

11 Details of Lease arrangements

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

₹ in Thousands

| Due | Total Minimum Lease Payments Outstanding | Future Interests on Outstanding | Present value of Minimum Lease Payments |
|-----------------------------------|--|---------------------------------|---|
| 1. Within one year | 1,738 | 564 | 1,174 |
| 2. Between one year to five years | 5,459 | 850 | 4,609 |
| Total | 7,197 | 1,414 | 5,783 |

Figures in bracket are of previous year



Notes to the Financial Statement (Contd.)

12. Earnings Per Share :

₹ in Thousands

| | Particulars | As at 31.03.2013 | As at 31.03.2012 |
|----|---|---------------------|---------------------|
| a. | Profit/(Loss) after tax excluding exceptional items | (17,498) | 13,791 |
| b. | Less : Exceptional items | – | 44,500 |
| c. | Profit/(Loss) after tax including exceptional items | (17,498) | (30,709) |
| d. | Number of Equity shares outstanding | 2,27,43,600 | 2,27,43,600 |
| e. | Basic/Diluted Earnings Per Share (EPS) : | | |
| | - EPS excluding exceptional items (a/d) | (0.77) | 0.61 |
| | - EPS including exceptional items (c/d) | (0.77) | (1.35) |
| f. | Face value per share – in ₹ | 2 per share | 2 per share |

13. Consolidated Financial Statements :

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

14. Deferred Tax Asset/(Liability):

Timing difference comprises of :

₹ in Thousands

| | Particulars | As at 31.03.2013 | As at 31.03.2012 |
|----|---|---------------------|---------------------|
| | Deferred Tax Asset | | |
| 1. | Expenses covered by 43B | 13 | 67 |
| 2. | Carry forward Unabsorbed Depreciation | 85,514 | 75,840 |
| 3. | Others | – | – |
| | Total | 85,527 | 75,907 |
| | Deferred Tax Liability | | |
| 1. | Depreciation | 5,318 | 4,596 |
| 2. | Others | – | (101) |
| | Total | 5,318 | 4,495 |
| | Net Deferred Tax Asset/(Liability) | 80,196 | 71,412 |

As a matter of the prudence, net deferred tax asset has not been considered in the accounts.

15. Previous year's figures are re-grouped/reclassified, wherever necessary, inter-alia, to conform to current year's presentation.

Note 17

Significant Accounting Policies

1. General:

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

2. Fixed Asset:

Fixed Assets (except Land) are stated at cost of acquisition or construction less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.

Land value is stated at Reinstated Value

PRIME URBAN DEVELOPMENT INDIA LIMITED

3. Impairment of Assets :

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

4. Investments:

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

5. Valuation of Inventories:

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

6. Revenue Recognition:

- a) Real Estate projects: Revenue from real estate projects is recognized when significant risks and rewards of ownership have been transferred and it is probable that the economic benefits will flow to the company. Losses expected in bringing a contract to completion are recognized in the income statement as soon as they are forecast.
 - i) Sale of undivided share of land under group housing is recognized upon transfer of all significant risks and rewards of ownership as per terms of the contracts executed with the buyers and is net of all costs.
 - ii) Revenue from executor firms/AOP in which the company is a partner member is recognized upon the said entity recognizing their respective revenues.
 - iii) Revenue from contractual projects is recognized on the basis of completion of a physical proportion of the contract work based on executed agreements entered into by the company or by firms in which the company is a partner.
 - iv) Revenue from sale of land and development rights is recognized upon transfer of all significant risks and rewards of ownership, no continuing management involvement and effective control are retained and the amount of revenue can be reliably measured. The transfer of risks and rewards vary depending on the individual terms of the contracts of sale.
- b) Textile: Product sales are exclusive of the excise duty, VAT, insurance and trade discounts.

7. Borrowing Cost:

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

8. Depreciation:

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

9. Employee benefits:

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

Defined Contribution Plans:

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

Defined Benefit Plans:

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



10. Foreign Currency Transactions:

- a. Export sales in foreign currency are accounted for at the exchange rate prevailing on the date of negotiation, where such sales are not covered by forward contracts. Outstanding export documents pending negotiation when not covered by foreign exchange forward contracts are accounted for at the prevailing conversion rates at the close of the year and the difference in actual realization of such documents is accounted for in foreign exchange fluctuation account to be credited/charged to the profit & loss account in the year of realization.
- b. Foreign currency assets and liabilities are stated at the rate of exchange prevailing at the year-end and resultant gains/loses are recognized in the Profit and Loss account. Exchange difference in respect of foreign exchange forward contracts (other than for acquisition of fixed assets) is recognized as income or expenses over the life of the contract.

11. Taxation:

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

12. Lease Rentals:

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

13. Contingent Liabilities:

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

14. Use of estimates:

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

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

Manoj Kumar Patodia
Vice Chairman & Managing Director

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

M.J.Vijayaraghavan
Partner M.No.7534

Anuj Patodia
Managing Director

Banwarilal Singhal
Director

Place : Mumbai
Date : 17.05.2013

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
Related to Subsidiary Companies

| Sl. No. | Particulars | Name of Subsidiary Companies | | |
|---------|--|--------------------------------|---|---|
| | | ATL Textile Processors Limited | Manoj Yarn Processors Limited | Pee Dee Yarn Processors Limited |
| 1 | Financial Year ended 31st March | 2013 | 2013 | 2013 |
| 2 | No. of shares held by holding Co. | 10,37,450 | 50,900 | 50,900 |
| 3 | Face value of shares in Rs. | 10 | 10 | 10 |
| 4 | Extent of Holding (%) Held by Manoj Yarn Processors Ltd. | 100 | 100 | 21.41 78.59 |
| 5 | Net aggregate amount of profits [losses] of the subsidiary for the above financial year so far as it concerns members of the Holding Company which are not dealt within the Company's account. | (₹. 20 Thousands) loss | Operations not yet commenced (₹. 12 thousands) Loss for the year | Operations not yet commenced (₹. 9 thousands) loss |
| 6 | -do- for the Financial Year | (₹.20 Thousands) loss | (₹.12 thousands) loss | (₹.9 thousands) loss |
| 7 | Net aggregate amount of profits [losses] of the subsidiary for the above financial year so far as it concerns members of the Holding Company which are dealt within the company's account | ₹. 1,350 thousands profit | (₹.208 thousands) loss | (₹.126 thousands) loss |
| 8 | Holding Company's interest as at 31st March 2013 incorporating changes since the close of the financial year of the subsidiary company | No change | No change | No change |

Manoj Kumar Patodia
 Vice Chairman & Managing Director

Anuj Patodia
 Managing Director

Place : Mumbai
 Date : 17.05.2013

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

Banwarilal Singhal
 Director

Disclosure of information relating to the subsidiary companies as required by the Ministry of Corporate affairs, Government of India vide their General Circular No.2/2011 dated 8.2.2011

₹ in Thousands

| Particulars | ATL Textile Processors Limited | Manoj Yarn Processors Limited | Pee Dee Yarn Processors Limited |
|-----------------------------|--------------------------------|-------------------------------|---------------------------------|
| a) Share Capital | 10,375 | 509 | 509 |
| b) Reserves & Surplus | 42,420 | (206) | (126) |
| c) Total assets | 52,795 | 301 | 383 |
| d) Total Liabilities | 52,795 | 301 | 383 |
| e) Details of Investments | Nil | Nil | Nil |
| f) Operating income/(Loss) | (20) | (12) | (9) |
| g) Profit/(Loss) before tax | (20) | (12) | (9) |
| h) Provision for tax | Nil | Nil | Nil |
| i) Profit/(Loss) after tax | (20) | (12) | (9) |
| j) Proposed Dividend | Nil | Nil | Nil |
| k) Reporting currency | Indian Rupee | Indian Rupee | Indian Rupee |



Independent Auditors' Report

To
The Board of Directors of Prime Urban Development India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Prime Urban Development India Limited** (the "Company") and its subsidiaries **ATL Textile Processors Limited, Manoj Yarn Processors Limited and Pee Dee Yarn Processors Limited** and an associate **Prime New Line AOP** (Collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements/consolidated financial statements of the subsidiaries and an associate as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) In the case of the Consolidated statement of Profit and Loss, of the loss of the Group for the year ended on that date and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

Financial statements/consolidated financial statements of certain subsidiaries which reflect total assets (net) of ₹. 31,856 thousands as at March 31, 2013, total revenue (net) of ₹. 13,073 thousands and net cash flows amounting to ₹. 22 thousands for the year then ended, have been audited by us.

Our opinion is not qualified in respect of other matters.

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

M.J.Vijayaaraghavan
(M.No.7534)
Partner

Place: Mumbai
Date: 17.05.2013

PRIME URBAN DEVELOPMENT INDIA LIMITED

CONSOLIDATED BALANCE SHEET

₹ in Thousands

| Particulars | Note | As at 31st March, 2013 | As at 31st March, 2012 |
|-----------------------------------|------|---------------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 45,487 | 45,487 |
| (b) Reserves and Surplus | 2 | 1,548,106 | 1,568,254 |
| | | <u>1,593,593</u> | <u>1,613,741</u> |
| (2) Non-current liabilities | 3 | | |
| (a) Long-term borrowings | | 4,659 | 1,371 |
| (b) Other Long term liabilities | | 127,011 | 127,011 |
| (c) Long-term provisions | | 4,044 | 3,960 |
| | | <u>135,714</u> | <u>132,342</u> |
| (3) Current liabilities | 4 | | |
| (a) Short-term borrowings | | 214,376 | 118,143 |
| (b) Trade payables | | 34,731 | 18,016 |
| (c) Other Current liabilities | | 35,811 | 11,575 |
| (d) Short-term provisions | | 553 | - |
| | | <u>285,471</u> | <u>147,734</u> |
| Total | | <u>2,014,778</u> | <u>1,893,817</u> |
| II. ASSETS | | | |
| (1) Non-current assets | 5 | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | | 1,580,785 | 1,577,059 |
| | | <u>1,580,785</u> | <u>1,577,059</u> |
| (b) Non-current investments | | 700 | 720 |
| (c) Long-term loans and advances | | 35,345 | 35,459 |
| (d) Other non-current assets | | - | - |
| | | <u>36,045</u> | <u>36,179</u> |
| Total (a) + (b) | | <u>1,616,830</u> | <u>1,613,238</u> |
| (2) Current assets | 6 | | |
| (a) Current investments | | - | 2,175 |
| (b) Inventories | | 231,684 | 171,543 |
| (c) Trade receivables | | 60,577 | 1,331 |
| (d) Cash and cash equivalents | | 3,547 | 14,144 |
| (e) Short-term loans and advances | | 51,628 | 44,213 |
| (f) Other current assets | | 50,512 | 47,173 |
| | | <u>397,948</u> | <u>280,579</u> |
| Total | | <u>2,014,778</u> | <u>1,893,817</u> |

Significant Accounting Policies and accompanying notes - 16-17

The accompanying notes are integral part of financial statements

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

Manoj Kumar Patodia
Vice Chairman & Managing Director

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

M.J.Vijayaraaghavan
Partner M.No.7534

Anuj Patodia
Managing Director

Banwarilal Singhal
Director

Place : Mumbai
Date : 17.05.2013



STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT

₹ in Thousands

| Particulars | Note | As at 31st March, 2013 | As at 31st March, 2012 |
|---|------|---------------------------|---------------------------|
| Income | | | |
| 1 Revenue from operations | 7 | 256,997 | 266,598 |
| 2 Other income | 8 | 1,719 | 4,511 |
| 3 Total Revenue (1 + 2) | | <u>258,716</u> | <u>271,109</u> |
| 4 Expenses | | | |
| (a) Cost of Land sold | 9 | 3,625 | 94,947 |
| (b) Cost of Revenue | 10 | 203,581 | 86,160 |
| (c) Changes in inventories of finished goods and Stock-in-trade | 11 | 3,345 | 5,529 |
| (d) Employee benefit expenses | 12 | 19,825 | 20,302 |
| (e) Finance cost | 13 | 16,664 | 18,677 |
| (f) Depreciation and amortisation expenses | | 2,062 | 2,054 |
| (g) Other expenses | 14 | 26,953 | 29,711 |
| Total expenses (a to g) | | <u>276,255</u> | <u>257,380</u> |
| 5 Profit/(-) Loss before exceptional and extraordinary items and tax | | (17,539) | 13,729 |
| 6 Exceptional expenses | 15 | - | 44,500 |
| 7 Profit/(-) Loss before extraordinary items and tax | | (17,539) | (30,771) |
| 8 Extraordinary items | | - | - |
| 9 Profit/(-) Loss Before Tax | | <u>(17,539)</u> | <u>(30,771)</u> |
| 10 Tax expense : | | | |
| (a) Current Tax | | - | - |
| (b) Deferred Tax | | - | - |
| 11 Profit/(-) Loss for the year from continuing operations | | <u>(17,539)</u> | <u>(30,771)</u> |
| 12 Earnings Per Equity Share : | | | |
| Basic/Diluted Earnings Per Share before exceptional/extraordinary items | | (0.77) | 0.60 |
| Basic/Diluted Earnings Per Share after exceptional/extraordinary items | | (0.77) | (1.35) |
| (Face value of Rs. 2 each) | | | |

Significant Accounting Policies and accompanying notes - 16-17

The accompanying notes are integral part of financial statements

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

Manoj Kumar Patodia
Vice Chairman & Managing Director

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

M.J.Vijayaraaghavan
Partner M.No.7534

Anuj Patodia
Managing Director

Banwarital Singhal
Director

Place : Mumbai
Date : 17.05.2013

PRIME URBAN DEVELOPMENT INDIA LIMITED

CONSOLIDATED CASH FLOW STATEMENT

₹ in Thousands

| Particulars | Year Ended 31st March, 2013 | Year Ended 31st March, 2012 |
|---|--------------------------------|--------------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit/(Loss) before tax and extra ordinary items | (17,539) | 13,729 |
| Adjustments for: | | |
| Depreciation | 2,062 | 2,054 |
| Loss on sale of tangible assets (net) | 834 | 202 |
| Interest income | (172) | (328) |
| Finance Cost | 16,664 | 18,677 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 1,849 | 34,334 |
| Changes in Working Capital: | | |
| Increase / (Decrease) in trade payables | 16,715 | 3,205 |
| Increase / (Decrease) in provisions | 84 | 612 |
| Increase / (Decrease) in other current liabilities | 24,756 | (46,731) |
| Increase / (Decrease) in Short Term Borrowings | 96,233 | (31,754) |
| (Increase) / Decrease in trade receivables | (59,246) | (352) |
| (Increase) / Decrease in inventories | (60,142) | 56,432 |
| (Increase) / Decrease in margin money and unpaid dividend | (43) | 9 |
| (Increase) / Decrease in Short Term loans and advances | (7,414) | 8,094 |
| (Increase) / Decrease in other current assets | (3,340) | 40,732 |
| (Increase) / Decrease in Long Term loans and advances | 9,051 | (19,570) |
| Cash Generated from Operations | 18,503 | 45,011 |
| Taxes paid (net of refunds) | (8,938) | 950 |
| Net cash generated from operations before exceptional items | 9,565 | 45,961 |
| Exceptional items | - | (44,500) |
| Net cash generated from operating activities | 9,565 | 1,461 |
| B. Cash flow from Investing Activities: | | |
| Purchase of tangible/intangible assets | (9,908) | (2,647) |
| Sale of tangible/intangible assets | 677 | 1,408 |
| Interest received | 172 | 328 |
| Sale/ (Purchase) of non-current investments | 2,195 | 29,240 |
| (Increase) / Decrease in Capital work in progress | - | 7,259 |
| Net cash from investing activities | (6,864) | 35,588 |
| C. Cash flow from Financing Activities | | |
| Finance Cost | (16,632) | (19,979) |
| Proceeds from Long Term borrowings | 3,289 | (18,463) |
| Net cash used in Financing Activities | (13,343) | (38,442) |
| Net increase in cash and Cash equivalents | (10,642) | (1,393) |
| Cash and Cash Equivalants at the beginning of the year | 11,950 | 13,343 |
| Cash and Cash equivalents at the end of the year | 1,308 | 11,950 |
| Reconciliation of Cash and Cash equivalents with the Balance sheet | | |
| Cash and Cash equivalents as per Balance Sheet | 3,547 | 14,144 |
| Less : Bank Balances not considered as Cash and Cash equivalents | | |
| Margin Money Deposit | 1,922 | 1,769 |
| Unpaid dividend | 317 | 425 |
| Net Cash and Cash equivalents at the year end | 1,308 | 11,950 |

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

Manoj Kumar Patodia
Vice Chairman & Managing Director

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

M.J.Vijayaraaghavan
Partner M.No.7534

Anuj Patodia
Managing Director

Banwarilal Singhal
Director

Place : Mumbai
Date : 17.05.2013



Notes to the Financial Statement (consolidated)

Note 1 : Share Capital

| | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---------------------------------|------------------------|-----------------|------------------------|-----------------|
| | Number | Amount in 000's | Number | Amount in 000's |
| Authorised | | | | |
| Equity Shares of ₹.2 each | 62,500,000 | 125,000 | 62,500,000 | 125,000 |
| Preference Shares of ₹.100 each | 750,000 | 75,000 | 750,000 | 75,000 |
| Issued | | | | |
| Equity Shares of ₹.2 each | 22,744,300 | 45,489 | 22,744,300 | 45,489 |
| Subscribed and paid up: | | | | |
| Equity Shares of ₹.2 each | 22,743,600 | 45,487 | 22,743,600 | 45,487 |

Note 1(a) - Equity Shares of more than 5% of Equity Shares are held by :

| Name of the Shareholder | Number of shares held | Percentage of Holding | Number of shares held | Percentage of Holding |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Anjana Syntex Company Limited | 5,301,620 | 23.310% | 4,843,120 | 21.294% |
| Pat Credit Limited | 6,368,710 | 28.002% | 6,368,710 | 28.002% |

1(b) - 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 preceding five years.

1(c) - The Company has only one class of equity shares having a par value of ₹.2 per share. Each holder of equity shares is entitled to one vote per share.

1(d) - There is no change in the number of shares outstanding at the beginning and at the end of the year.

PRIME URBAN DEVELOPMENT INDIA LIMITED
Notes to the Financial Statement (consolidated)

₹ in Thousands

| Particulars | As at | |
|--|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 |
| Note 2 | | |
| Reserve and Surplus | | |
| (a) General Reserve: | | |
| Opening Balance | 227,617 | 183,117 |
| Add : Transfer from Profit and Loss Account | - | 44,500 |
| Closing Balance | <u>227,617</u> | <u>227,617</u> |
| (b) Business Reconstruction Reserve : | | |
| Opening Balance | 1,274,608 | 1,319,108 |
| Less: Reduction due to a portion of Land Sold | 2,609 | - |
| | | - |
| Less: Transfer to Profit and Loss account below | - | 44,500 |
| Closing Balance | <u>1,271,999</u> | <u>1,274,608</u> |
| (c) Surplus/(Deficit) in Profit and Loss account | | |
| Opening Balance | 66,029 | 96,800 |
| Add : Profit/(-) Loss after Tax | (17,539) | (30,771) |
| Add : Transfer from Business Reconstruction Reserve (**) | - | 44,500 |
| Less: Transfer to General Reserve | - | 44,500 |
| Closing Balance | <u>48,490</u> | <u>66,029</u> |
| (**) in respect of exceptional items | | |
| Total | <u>1,548,106</u> | <u>1,568,254</u> |

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|--|------------------------|------------------------|------------------------|------------------------|
| | Secured (I) | Unsecured (II) | Secured (I) | Unsecured (II) |
| Note 3 | | | | |
| Non-Current Liabilities | | | | |
| (a) Long Term Borrowings | | | | |
| (i) Deferred payment liabilities | | | | |
| Hire - purchase | 4,609 | - | 1,171 | - |
| (ii) Deposits | | | | |
| From Public | - | 50 | - | 200 |
| From Directors | - | - | - | - |
| | <u>4,609</u> | <u>50</u> | <u>1,171</u> | <u>200</u> |
| Sub-total (a) | | <u>4,659</u> | | <u>1,371</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 1.9.2016 and rate of interest is 10.50 % per annum. | | | | |
| | | As at 31st March, 2013 | | As at 31st March, 2012 |
| (b) Other Long Term Liabilities | | | | |
| Due to a Partnership firm in which Company is a partner | | 127,011 | | 127,011 |
| Sub-total (b) | | <u>127,011</u> | | <u>127,011</u> |
| (c) Long Term Provisions | | | | |
| Provision for Employee benefits: | | | | |
| - Super annuation | | 2,056 | | 918 |
| - Gratuity | | 1,988 | | 3,042 |
| Sub-total (c) | | <u>4,044</u> | | <u>3,960</u> |
| Total | | <u>135,714</u> | | <u>132,342</u> |



Notes to the Financial Statement (Consolidated)

₹ in Thousands

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|------------------------|---------------------------|------------------------|---------------------------|
| | Secured (I) | Unsecured (II) | Secured (I) | Unsecured (II) |
| Note 4 | | | | |
| Current Liabilities | | | | |
| (a) Short Term Borrowings | | | | |
| (i) Loan repayable on demand From Banks | 80,527 | – | 28,877 | |
| (ii) Deposits | | | | |
| From Public | – | 8,617 | – | 10,465 |
| From Inter-corporates | – | 125,232 | – | 78,801 |
| | <u>80,527</u> | <u>133,849</u> | <u>28,877</u> | <u>89,266</u> |
| Sub-total (a) | | <u>214,376</u> | | <u>118,143</u> |
| Nature of Security : | | | | |
| Secured loans are secured against hypothecation of current assets and further secured by way of second charge over the land of an Associate Company and further guaranteed by three of the Directors of the Company | | | | |
| | | As at 31st March, 2013 | | As at 31st March, 2012 |
| (b) Trade payable | | | | |
| (i) Due to micro, small and medium Enterprises (MSME'S) (*) | | – | | – |
| (ii) Due to suppliers and service providers | | 34,395 | | 17,493 |
| (iii) Others | | 336 | | 523 |
| Sub-total (b) | | <u>34,731</u> | | <u>18,016</u> |
| (*) Also refer point no. 3 in additional information to the financial statement | | | | |
| (c) Other Current Liabilities | | | | |
| (i) Current maturities of long-term debts | | 1,797 | | 1,371 |
| (ii) Current maturities of finance lease obligations (net purchase) | | 1,173 | | 1,109 |
| (iii) Interest accrued but not due on borrowings | | 71 | | 38 |
| (iv) Unpaid dividends | | 317 | | 425 |
| (v) Non recognised customer credit | | 8,789 | | – |
| (vi) Other payables | | | | |
| Statutory dues payable | | 1,188 | | 1,481 |
| Advance from customers | | 12,476 | | 7,151 |
| Advance for Projects | | 10,000 | | – |
| Sub-total (c) | | <u>35,811</u> | | <u>11,575</u> |
| (d) Short Term Provisions | | | | |
| Provision for Employee benefits: | | | | |
| Gratuity | | 553 | | – |
| Sub-total (d) | | <u>553</u> | | <u>–</u> |
| Total | | <u>285,471</u> | | <u>147,734</u> |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement (Consolidated)

Note 5 : (a) Fixed Assets

₹ in Thousands

| Particulars | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-------------------------------|--------------------|--------------|--------------|--------------------|--------------------------|--------------|--------------|-------------------|--------------------|--------------------|
| | As on 31.3.2012 | Additions | Deductions | As at 31.3.2013 | Upto 31.3.2012 | For the Year | Withdrawn | Upto 31.3.2013 | As on 31.3.2013 | As on 31.3.2012 |
| Tangible Assets : | | | | | | | | | | |
| Land - free hold | 1,565,861 | 2,826 | 2,611 | 1,566,076 | - | - | - | - | 1,566,076 | 1,565,861 |
| Buildings | 1,999 | 506 | - | 2,505 | 1,238 | 26 | - | 1,264 | 1,241 | 761 |
| Furniture & Office Equipments | 12,101 | 73 | 26 | 12,148 | 9,662 | 627 | 84 | 10,205 | 1,943 | 2,439 |
| Motor Vehicles | 14,074 | 6,503 | 3,087 | 17,490 | 6,076 | 1,409 | 1,519 | 5,965 | 11,525 | 7,998 |
| Total | 1,594,035 | 9,908 | 5,724 | 1,598,219 | 16,976 | 2,062 | 1,603 | 17,434 | 1,580,785 | 1,577,069 |
| Previous year end Total | 1,595,444 | 2,647 | 4,056 | 1,594,035 | 17,368 | 2,054 | 2,446 | 16,976 | 1,577,059 | - |

Note :

- Vehicles acquired on Hire-Purchase basis amounting to ₹ 8,444 thousands (Previous year ₹ 7,789 thousands) and net block amounts to ₹ 8,366 (Previous year ₹ 7,737 thousands)

₹ in Thousands

| Particulars | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|------------------------|-------------------|------------------------|-------------------|
| | Quoted (I) | Un-Quoted (II) | Quoted (I) | Un-Quoted (II) |
| Note 5 | | | | |
| (b) Non-current Investments (At cost) | | | | |
| (i) Investment in Equity Instruments | | | | |
| (a) Other entities - Non-Trade | | | | |
| Vellan Hotels Limited (2,000 shares of ₹ 10 each) | - | - | 20 | - |
| Tirupur Infrastructure Development Company Limited (500 shares of ₹ 1000 each) | - | 500 | - | 500 |
| (ii) Investment in Partnership firms / AOP | | | | |
| Prime Developers | - | 100 | - | 100 |
| Prime Mall Developers | - | 100 | - | 100 |
| Aggregate amount of Quoted and Unquoted investments | - | 700 | 20 | 700 |
| Sub-total (b) (i) + (ii) | - | 700 | - | 720 |
| Aggregate amount of market value of quoted investments | - | - | 36 | - |

Notes to the Financial Statement (Consolidated)

₹ in Thousands

| Name of the Partners in the firm/AOP | Year Ended 31.03.2013 | | |
|---|-----------------------|-----------------|----------------|
| | Total Capital | Share of Profit | Share of Loss |
| Prime Developers : (Note below) | | | |
| 1 Prime Urban Development India Limited | 100 | 50.00% | 66.66% |
| 2 Pudumjee Industries Limited | 100 | 12.50% | 16.67% |
| 3 Suma Commercial India Private Limited | - | 12.50% | 16.67% |
| 4 Aristo Realty Developers Limited | - | 25.00% | - |
| | <u>200</u> | <u>100.00%</u> | <u>100.00%</u> |
| Prime Mall Developers : | | | |
| 1 Prime Urban Development India Limited | 100 | 50.00% | 66.66% |
| 2 Pudumjee Plant Laboratories Limited | 100 | 25.00% | 33.34% |
| 3 Aristo Realty Developers Limited | - | 25.00% | - |
| | <u>200</u> | <u>100.00%</u> | <u>100.00%</u> |
| Prime Newline - AOP : | | | |
| 1 Prime Urban Development India Limited | 20,220 | 75.00% | 75.00% |
| 2 Newline Buildtech Private Limited | 6,740 | 25.00% | 25.00% |
| | <u>26,960</u> | <u>100.00%</u> | <u>100.00%</u> |

Note: Contingent liability of the Firm (a) in respect of Income Tax ₹. 43,530.11 thousands and (b) in respect of Service Tax ₹. 23,284.90 thousands.

₹. in Thousands

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| (c) Long-term Loans and Advances | | |
| (i) Security Deposits | 1,853 | 1,705 |
| (ii) Other loans and advances | 15,250 | 24,449 |
| Advance income tax (Net of provision) | 18,242 | 9,305 |
| Sub-total (c) | <u>35,345</u> | <u>35,459</u> |

₹. in Thousands

| | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| Note 6 | | |
| (a) Current Investments (At cost) | | |
| Trade, Quoted | | |
| Investment in Mutual Funds/Bonds | - | 2,175 |
| (Pr.Yr., 8% Indian Railway Finance Corp. Tax free Bond 2175 Units at ₹.1000 each) | | |
| Sub-total (a) | <u>-</u> | <u>2,175</u> |
| Aggregate amount of quoted investments and market value thereof | - | 2,159 |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement (Consolidated)

₹ in Thousands

| | As at 31st March, 2013 | As at 31st March, 2011 |
|---|---------------------------|---------------------------|
| Note 6 (Contd.) | | |
| (b) Inventories | | |
| (i) Finished goods - At cost or Net realisable value whichever is lower | 3,162 | 6,507 |
| (ii) Stock-in-trade | | |
| Land - Valued at lower of Cost and Net realisable value | 117,166 | 120,991 |
| (iii) Project work in progress | 111,356 | 44,045 |
| Sub-total (b) | <u>231,684</u> | <u>171,543</u> |
| (c) Trade Receivables (current) (Unsecured and considered good unless otherwise stated) | | |
| Doubtful - outstanding exceeding six months from the due date | 1,381 | 1,381 |
| Less : Provision for doubtful debts | <u>(1,381)</u> | <u>(1,381)</u> |
| | - | - |
| Outstanding exceeding six months from the due date | 533 | 499 |
| Others | 60,044 | 832 |
| Sub-total (c) | <u>60,577</u> | <u>1,331</u> |
| (d) Cash and Cash Equivalents | | |
| Cash and Cash equivalents | | |
| (i) Cash on hand | 209 | 621 |
| (ii) Balances with bank | | |
| In current account | 1,099 | 11,329 |
| a) In Deposits under lien | 1,922 | 1,769 |
| (b) Unpaid Dividend accounts | 317 | 425 |
| Sub-total (d) | <u>3,547</u> | <u>14,144</u> |
| (e) Short-term loans and advances | | |
| (i) Balance in Partners' Current account | 44,377 | 39,719 |
| (ii) Loans and advances to : | | |
| - Associates | 2,508 | 56 |
| - Others | 4,743 | 4,438 |
| Sub-total (e) | <u>51,628</u> | <u>44,213</u> |
| (f) Other current assets | | |
| (i) Claim receivable | 46,800 | 46,800 |
| (ii) Interest and other receivables | 1,284 | 244 |
| (iii) Un amortized | 2,428 | 129 |
| Sub-total (f) | <u>50,512</u> | <u>47,173</u> |
| Note 7 | | |
| Revenue from operations : | | |
| Textile Segment | | |
| Cotton Yarn | 64,749 | 88,764 |
| Knitted Garments & Fabrics | 151,450 | 3,024 |
| Export incentives | 1,223 | 4,294 |
| Sub-total - Textile | <u>217,422</u> | <u>96,082</u> |
| Realty Segment | | |
| Profit on Sale of Land | 13,600 | 7,897 |
| Sale of Land - converted in to stock in trade | 12,358 | 162,361 |
| Share of Profit from a firm | 428 | 216 |
| Incidental income | 116 | 42 |
| Revenue from operations of AOP- Villa project | 13,073 | - |
| | <u>39,575</u> | <u>170,516</u> |
| Total | <u>256,997</u> | <u>266,598</u> |



Notes to the Financial Statement (Consolidated)

₹ in Thousands

| | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| Note 8 | | |
| Other Income | | |
| Interest | 172 | 328 |
| Commission receipts | 888 | 962 |
| Profit on sale of investments | 24 | - |
| Dividend | 362 | 1,516 |
| Miscellaneous Income | 275 | 283 |
| Liabilities no longer payable written back | - | 1,422 |
| Total | 1,719 | 4,511 |
| Note 9 | | |
| Cost of Land | | |
| Cost of Land sold - converted in to stock in trade | 3,825 | 94,947 |
| | <u>3,825</u> | <u>94,947</u> |
| Note 10 | | |
| Cost of Revenue | | |
| Purchase of Traded goods | 188,737 | 86,160 |
| Cost of revenue for registered villas in AOP | 14,844 | - |
| | <u>203,581</u> | <u>86,160</u> |
| Note 11 | | |
| Changes in Stock of Finished Goods and Stock - in- trade | | |
| Stock at Commencement: | | |
| Finished Goods | 6,507 | 12,038 |
| | <u>6,507</u> | <u>12,038</u> |
| (A) | | |
| Less : | | |
| Stock at Closing: | | |
| Finished Goods | 3,162 | 6,507 |
| | <u>3,162</u> | <u>6,507</u> |
| (B) | | |
| Net Value (A) -(B) | 3,345 | 5,529 |
| Note 12 | | |
| Employee Benefits | | |
| Salaries, Wages, Bonus and others | 16,397 | 16,834 |
| Contribution to Provident and other Funds | 2,783 | 2,797 |
| Welfare Expenses | 645 | 671 |
| Total | 19,825 | 20,302 |
| Note 13 | | |
| Finance cost | | |
| Interest on Borrowings | 16,664 | 18,125 |
| Other finance cost | - | 552 |
| Total | 16,664 | 18,677 |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement (Consolidated)

₹ in Thousands

| | As at 31st March, 2013 | As at 31st March, 2012 |
|---|---------------------------|---------------------------|
| Note 14 | | |
| Other Expenses | | |
| Insurance | 309 | 377 |
| Rates and taxes | 1,871 | 869 |
| Sitting Fees | 195 | 180 |
| Power and Fuel Consumed | 622 | 527 |
| Rent | 2,757 | 2,879 |
| Repairs - Building | 144 | 2,495 |
| Other Repairs | 492 | 984 |
| Communication Expenses | 1,164 | 1,269 |
| Travelling and Conveyance | 7,807 | 7,156 |
| Sales Commission | 1,128 | 2,751 |
| Freight and Forwarding | 1,404 | 1,973 |
| Selling expenses | 9 | 117 |
| Donation | 83 | 107 |
| Legal and Professional fees | 3,149 | 1,635 |
| Auditors Remuneration | 277 | 471 |
| Loss on Sale of Assets | 834 | 202 |
| Bad and Doubtful Debts written off | - | 122 |
| Bank Charges | 790 | 826 |
| Miscellaneous expenses | 3,918 | 4,771 |
| | <u>26,953</u> | <u>29,711</u> |
| Note 15 | | |
| Exceptional Expenses | | |
| Loss on disposal of Long Term Investments | - | 44,500 |
| | <u>-</u> | <u>44,500</u> |



Notes to the Financial Statement Consolidated (Contd.)

Not 16

Additional information to the financial statements

Consolidated financial statements:

1. Members of the Group:

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

₹ in Thousands

| 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 | Prime Newline AOP | AOP | 75% | 23.07.2008 |

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

₹ in Thousands

| Particulars | As at 31.03.2013 | As at 31.03.2012 |
|--|------------------|------------------|
| a. Contingent liabilities (to the extent not provided for) | | |
| Disputed Tax Demands (Including Interest up to the date of demand) | | |
| (a) Sales Tax | 922 | 1,007 |
| (b) Income Tax | 71,612 | 183,216 |
| (Tax deposits ₹.14125 thousands; pr.yr. ₹.5203 thousands) | | |
| b. Commitments | | |
| Other money for which the company is contingently liable, Export Documentary bills discounted with Bank (Since Realized- ₹.3,749 thousand Previous year – ₹.7,425 Thousands) | 25,512 | 15,443 |

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

₹ in Thousands

| Particulars | 31.03.2013 | 31.03.2012 |
|--|------------|------------|
| (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 |

4. Expenditure in foreign currency :

₹ in Thousands

| Particulars | 31.03.2013 | 31.03.2012 |
|------------------------|------------|------------|
| a. Sales commission | 986 | 1,521 |
| b. Travelling expenses | 780 | 569 |

5. Earnings in foreign exchange :

₹ in Thousands

| Particulars | 31.03.2013 | 31.03.2012 |
|--|------------|------------|
| a. Export of goods calculated on FOB basis | 62,982 | 85,383 |

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement Consolidated (Contd.)

6. Details of consumption of imported and indigenous items :

₹ in Thousands

| Particulars | 31.03.2013 | | 31.03.2012 | |
|----------------|------------|------|------------|------|
| | | % | | % |
| Traded goods : | | | | |
| Indigenous | 188,737 | 100% | 86,160 | 100% |
| Imported | - | | - | |

7. a. 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.
- b. 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.

8. Auditors Remuneration :

₹ in Thousands

| Particulars | 31.03.2013 | 31.03.2012 |
|----------------------------|------------|------------|
| Audit fees (including AOP) | 202 | 339 |
| Tax Audit fees | 17 | 17 |
| Other fees | 58 | 115 |
| Total | 277 | 471 |

9. Employee Benefit Plans :

Defined contribution plans :

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

₹ in Thousands

| Particulars | | 2012-2013 | 2011-2012 |
|-------------|-----------------------------|-----------|-----------|
| a. | Provident Fund Contribution | 1,441 | 1,341 |
| b. | Superannuation/Gratuity | 1,342 | 1,456 |

10. Segment Information :

₹ in Thousands

| Particulars | | 2012-2013 | 2011-2012 |
|-------------------|----------------------------------|-----------|-----------|
| a. | Realty | 2,17,422 | 1,70,516 |
| b. | Textiles | 39,574 | 96,082 |
| Segment Results : | | | |
| a. | Realty | (14,688) | 64,628 |
| b. | Textiles | 16,998 | (29,150) |
| | Total | 2,309 | 35,478 |
| | Less : Interest | 16,664 | 18,676 |
| | Less : Exceptional items | - | 44,500 |
| | Less : Un-allocable expenditure | 3,184 | 3,072 |
| | Profit/(Loss) before expenditure | (17,539) | (30,770) |
| | Less : Extraordinary items | - | - |
| | Profit/(Loss) before tax | (17,539) | (30,770) |
| Capital Employed | | | |
| a. | Realty | 17,42,282 | 16,74,642 |
| b. | Textiles | 70,346 | 54,325 |

Notes to the Financial Statement Consolidated (Contd.)

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

List of Related Parties and nature of relationships:

| | | |
|-------|--|---|
| (i) | Associates | Aadarsh Jann Aawaash Limited Prime Developers Prime Mall Developers Prime New line AOP |
| (ii) | Key Managerial Personnel | Mr. Pursuhottam Das Patodia Chairman & Managing Director Mr. Manoj Kumar Patodia Vice Chairman & Managing Director Mr. Anuj Patodia Managing Director |
| (iii) | Enterprises having Common Key Management Personnel | Pat Credit Limited Anjana Syntex Co. Limited |
| (iv) | Relatives of Key Managerial Personnel | Mrs.Indira Devi Patodia wife of Mr. Purushottam Das Patodia Mrs.Nandita Patodia wife of Mr. Manoj Kumar Patodia Mrs.Meenal Patodia wife of Mr.Anuj Patodia |

Transactions with related parties in the ordinary course of business :

₹ in Thousands

| Sl | Nature of Transaction | Associates | Key Managerial Personnel | Enterprises /Relatives of Key Managerial Personnel | Total |
|----|---|------------------------|--------------------------|--|------------------------|
| 1 | Rent received | - | - | - | - |
| 2 | Share of Profit / (Loss) from firms | -3,445 (-4,070) | - | - | -3,445 (-4,070) |
| 3 | Expenses reimbursed from | 1,830 (2,959) | - | - | 1,830 (2,959) |
| 4 | Interest paid | - | 24 (129) | 848 (374) | 872 (503) |
| 5 | Directors' Remuneration Paid/sitting fees | - | 14,234 - | 165 185 | 14,399 13,244 |
| 6 | Balance as on 31.3.2013 Amount Payable: Prime Mall Developers | 1,27,011 (1,27,011) | | | 1,27,011 (1,27,011) |
| 7 | Amount Receivable: Aadarsh Jann Aawaash Ltd | - (56) | | | - (56) |
| | Prime Developers | 45,495 (44,106) | | | 45,495 (44,106) |
| | Prime Newline AOP | 40,541 (12,719) | | | 40,541 (12,719) |

Notes:

- The related parties have been identified by the Management and relied upon by the auditors.
- No amount has been provided for/written off/written back, pertaining to related parties.
- Figures in bracket represent previous year's figures.

PRIME URBAN DEVELOPMENT INDIA LIMITED

Notes to the Financial Statement Consolidated (Contd.)

12. Details of Lease arrangements :

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

₹ in Thousands

| | Due | Total Minimum Lease Payments Outstanding | Future Interests on Outstanding | Present value of Minimum Lease Payments |
|----|--------------------------------|--|---------------------------------|---|
| 1. | Within one year | 1,738 | 564 | 1,174 |
| 2. | Between one year to five years | 5,459 | 850 | 4,609 |
| | Total | 7,197 | 1,414 | 5,783 |

Figures in bracket are of previous year

13. Earnings Per Share :

₹ in Thousands

| | Particulars | As at 31.03.2013 | As at 31.03.2012 |
|----|---|------------------|------------------|
| a. | Profit/(Loss) after tax excluding exceptional items | (17,539) | 13,729 |
| b. | Less : Exceptional items | - | 44,500 |
| c. | Profit/(Loss) after tax including exceptional items | (17,539) | (30,771) |
| d. | Number of Equity shares outstanding | 227,43,600 | 227,43,600 |
| e. | Basic/Diluted Earnings Per Share (EPS) : | | |
| | - EPS excluding exceptional items (a/d) | (0.77) | 0.60 |
| | - EPS including exceptional items (c/d) | (0.77) | (1.35) |
| f. | Face value per share – in ₹ | 2 per share | 2 per share |

14. Consolidated Financial Statements :

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

15. Deferred Tax Asset/(Liability):

Timing difference comprises of :

₹ in Thousands

| | Particulars | As at 31.03.2013 | As at 31.03.2012 |
|----|---------------------------------------|------------------|------------------|
| | Deferred Tax Asset | | |
| 1. | Expenses covered by 43B | 13 | 67 |
| 2. | Carry forward Unabsorbed Depreciation | 85,514 | 75,840 |
| 3. | Others | - | - |
| | Total | 85,527 | 75,907 |
| | Deferred Tax Liability | | |
| 1. | Depreciation | 5,318 | 4,596 |
| 2. | Others | - | (101) |
| | Total | 5,318 | 4,495 |
| | Net Deferred Tax Asset/(Liability) | 80,196 | 71,412 |

As a matter of the prudence, net deferred tax asset has not been considered in the accounts.

16. Previous year's figures are re-grouped/reclassified, wherever necessary inter-alia to conform to current year's presentation.



Notes to the Financial Statement Consolidated (Contd.)

Note 17

Significant Accounting Policies

1. General:

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

2. Principles of Consolidation:

The consolidated financial statements related to Prime Urban Development India Limited (formerly Prime Textiles Limited) ('the company') and its wholly owned subsidiary companies, all incorporated in India, viz ATL Textile Processors Limited, Manoj Yarn Processors Limited and Pee Dee Yarn Processors Limited have been considered in the consolidation. A firm, Prime Newline AOP, in which Prime Urban Development India Limited having significant influence in the management, has been considered in the consolidation. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book value of like items of assets and liabilities after fully eliminating intra-group balances and intra-group transaction resulting in unrealized 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 2013, the reporting date.

1. Contingent Liabilities:

Contingent liabilities are disclosed to the notes to the Financial Statements and are determined based on the perception of the Management on the eventuality of the liability materiality, contingent thereto.

2. Other Significant Accounting Policies:

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

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

M.J.Vijayaaghavan
Partner M.No 7534

Place : Mumbai
Date : 17.05.2013

Manoj Kumar Patodia
Vice Chairman & Managing Director

Anuj Patodia
Managing Director

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

Banwarilal Singhal
Director



PRIME URBAN DEVELOPMENT INDIA LIMITED

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

PROXY FORM

Folio No. / Client ID No. :

No. of Shares :

I/We

of in the district of

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

of in the district of

..... or failing him

of in the district of

..... as my/our proxy to attend and vote for me/us and on my/our behalf at the 76th Annual General Meeting of the company to be held on Friday, the 2nd August, 2013 at 4.00 p.m at the Registered office Company and at any adjournment thereof.

Signed this day of 2013.

Signature

Rupee 1/-
Revenue
Stamp

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



PRIME URBAN DEVELOPMENT INDIA LIMITED

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the 76th Annual General Meeting at No. 110 Avinashi Road, Tirupur 641603 on Friday, the 2nd August 2013 at 4.00 p.m. at the Registered office of the Company.

Members / Proxy's signature



Important Communication to members

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

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

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

2. SEBI has made it mandatory for every participant in the securities / capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with photocopy of both sides of PAN Card, duly attested to the Registrar and Transfer Agent of the company, M/s. S.K.D.C. Consultants Limited as above.