



PRIME URBAN[®]
DEVELOPMENT INDIA LTD.

we make your dreams come true

73rd ANNUAL REPORT 2009-2010

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PRIME URBAN DEVELOPMENT INDIA LIMITED

(Formerly Prime Textiles Limited)

Annual Report 2009 -10

BOARD OF DIRECTORS

Mr. PURUSHOTTAM PATODIA

Chairman & Managing Director

Mr. MANOJJKUMAR PATODIA

Vice Chairman & Managing Director

Mr. ANUJJ K. PATODIA

Managing Director

Mr. N.K. BAFNA

Independent Director

Mr. BANWARILAL SINGHAL

Independent Director

Mr. VIJAY KUMAR BHANDARI

Independent Director

Mr. VIRAJ C. GANDHI

Independent Director

Mr. B.K. SRINIVASA RAGAVAN

(relinquished office as whole-time Director
and was appointed as an Additional Director
w.e.f. 10.07.10)

COMPANY SECRETARY

Mr. S.RENGASAMY

AUDITORS

MESSRS.M.S.JAGANNATHAN & VISVANATHAN

Chartered Accountants, Coimbatore

LEGAL ADVISORS

MESSRS. RAMANI & SHANKAR

Advocates, Coimbatore

BANKERS

CENTRAL BANK OF INDIA

REGISTERED OFFICE

110, Avinashi Road
Gandhinagar Post
Tirupur-641 603
India

PRIME URBAN DEVELOPMENT INDIA LIMITED

DIRECTORS' REPORT

To the Members

Your Directors are presenting their Seventy Third Annual Report and the Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS AT A GLANCE

Year ended 31 st March	2010 Rs. in thousands	2009 Rs. in thousands
Turnover and other Income	3,38,839	7,68,908
EBIDTA	(87,634)	2,17,601
Interest	41,005	55,296
Depreciation	8,490	20,261
Amortisation	18,004	25,574
Profit /(Loss) before taxes	(1,55,133)	1,16,470
Exceptional items	(42,180)	(2,09,605)
Extraordinary items	(5,500)	-
Current Taxation	-	-
Deferred taxation benefit/(Expenses)	32,204	17,827
Fringe benefit tax	-	(1,359)
Minimum Alternate Tax Credit entitlement	-	-
Profit after tax	(1,70,609)	(76,667)
Surplus from previous year brought forward	(3,472)	8,580
Transfer from General Reserve	-	64,615
Transfer from Business Reconstruction Reserve	2,10,674	-
Amount available for appropriation	36,593	(3,472)
Appropriations:		
Proposed Dividends-		
On Equity Capital	-	-
Tax on Distributed Profits	-	-
Transfer to General Reserve	30,000	-
Surplus carried over to Balance Sheet	6,593	(3,472)
Total Appropriations	36,593	(3,472)

SCHEME OF ARRANGEMENT

As the shareholders are aware, the Scheme of Arrangement between the company and the shareholders has been approved by the Hon'ble High Court of Judicature at Madras. The Scheme, inter-alia, provides for financial restructuring by reinstatement of the immovable assets at their fair value. The emanating reserve has been dealt with in the manner provided under the Scheme.

CHANGE OF NAME OF COMPANY

Your company over past years, been giving a thrust towards fostering its business in the Realty Sector. After its initial success in constructing best-of-the-class residential apartments, the company now takes a leap-forward for construction of world-class luxury villas and various corporate and commercial blocks at Tirupur. A change in name of the company as "Prime Urban Development India Limited" has been just a reflection of the changed business focus. Your company continues its ethos of values and always strives to deliver the best to the stakeholders. The new name has been approved by the Registrar of Companies, Coimbatore vide their letter dated 05.07.2010.

DIVIDEND

Your Directors do not recommend a Dividend for the year ended 31st March 2010 in view of the present status of the ongoing project.



RETROSPECTS AND PROSPECTS

India has emerged as the second fastest growing economy in the world. The construction industry has significantly contributed as a conduit for substantial part of its development investment. Increased industrialization, mass urbanization, bolstered economic development and aspirations of the people for improved quality of life standards, demand for commercial property to meet the needs of business such as corporate offices, world-class hotels and retail shopping arcades - all point to a profitable future for your company in the realty sector.

Tirupur has been a forerunner in contributing to the nation's economy. It is now a district headquarters and is being nurtured by the government for a sustainable economic growth. The company possesses high-value land bank in Tirupur and its development is now taken up.

As the shareholders are aware, "Prime Enclave Vistas" residential multi-storied apartments have become now a prestigious address to own in Tirupur. The turnover of Prime Developers for the financial year 2009 - 10 is Rs. 1,13,433 thousands. The construction of a multi-storied commercial complex adjacent to Prime Enclave Vistas is expected to be launched in the coming year. The construction of luxury duplex villas next to Prime Enclave Vistas is to commence shortly.

Your company has closed down and disposed off its textile manufacturing base and has discharged all the connected liabilities. It nevertheless continues its presence, though not significant, in the textile sector.

CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements for the year ended March 31, 2010 form part of the Annual Report.

SUBSIDIARY COMPANIES

The Reports and Audited Accounts of the subsidiary companies along with the statement pursuant to Section 212 of the Companies Act, 1956, are not forming part of the Annual Report. Your company sought and obtained approval from the Ministry of Corporate Affairs, Government of India, New Delhi for the Financial Year 2009-10 in respect of the applicability of provisions contained in subsection (1) of Section 212 of the Companies Act, 1956 in relation to these four wholly-owned subsidiary companies that carry no significant commercial activities.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

ENVIRONMENT AND POLLUTION CONTROL

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

FIXED DEPOSITS

There are no unpaid deposits except the ones matured but remaining unclaimed amounting to Rs. 2,738 thousands (Rs.11,410 thousands) by 2 depositors and all of them have since been renewed.

LISTING PARTICULARS

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai. The company has paid the listing fees to Bombay Stock Exchange upto 20-10-11. The company's application for delisting its equity shares from Coimbatore Stock Exchange is pending approval from the Coimbatore Stock Exchange Limited.

PRIME URBAN DEVELOPMENT INDIA LIMITED

DISCLOSURE OF PARTICULARS

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

DEPOSITORY SYSTEM

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

DIRECTORS

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

Mr. B.K. Srinivasa Ragavan relinquished the office as a whole-time Director and under Section 260 of the Companies Act, 1956 read with Article 93 of the Articles of Association of the Company, he was appointed as an Additional Director with effect from 10.07.2010. He is eligible for re-appointment at the ensuing Annual General Meeting.

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

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



ACKNOWLEDGEMENTS

Your Directors record with a deep sense of gratitude to the working capital bankers for the excellent support and cooperation rendered by them to the company. Your Directors are thankful to the 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 : Tirupur
Date : 12.11.2010

Purushottam Patodia
Chairman and Managing Director

ANNEXURE A

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

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

Name	Age	Designation	Nature of duties	Qualification & Experience	Date of commencement	Last employment held	Amount of Remuneration
Mr. Purushottam Patodia	72	Chairman & Managing Director	Overall managerial supervision	B.Com (46 years)	20.10.1989	GTN Textiles Ltd	Rs.3,459 thousands
Mr. Manojkumar Patodia	46	Vice Chairman & Managing Director	Overall managerial supervision	B.Com (21 years)	01.01.1995	Yarn Syndicate Ltd.	Rs. 2,579 thousands
Mr. Anuj K. Patodia	37	Managing Director	Overall managerial supervision	B.Com (16 years)	21.06.2002	Aadarash Jann Aawaash Ltd	Rs.2,511 thousands

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

Notes:

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

For and on behalf of the Board of Directors

Place : Tirupur
Date : 12.11.2010

Purushottam Patodia
Chairman and Managing Director

ANNEXURE-B

Management's Discussion and Analysis

Overview

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

BUSINESS ANALYSIS

1. The Realty Division of the company has been progressing with property development activities in full swing. The Division is expected to evolve a business model in achieving the overall goal of being the leading company in generating dependable returns over the long term. The Company plans to go the extra mile in creating and harvesting high quality properties to keep pace with a fast growing market. The Company has been imparting high level of professionalism in all its construction activities.

PRIME URBAN DEVELOPMENT INDIA LIMITED

2. A multi- storied residential complex is taken up and construction for 288 apartments is complete and offered for occupation. The construction of a commercial mall adjacent to the residential complex is expected to be taken in the current year. The above initiatives are in two partnership firms in which the company holds a stake of 50% each.
3. The company has entered into a Development and Collaboration agreement for development of the balance of land with FDI. The construction of Phase I of the individual luxury villas is to commence shortly.

TOWARDS ENHANCEMENT OF STAKEHOLDER VALUE

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

Financial Review and Analysis

Highlights

Particulars	Year ended 31 st March	
	2010 Rs. in thousands	2009 Rs. in thousands
Net Turnover	3,31,049	7,64,446
Other Income	7,790	4,462
PBIDT	(87,634)	2,17,601
Interest	41,005	55,296
Depreciation	8,490	20,261
Amortisation expenses	18,004	25,574
Profit/(Loss) before Taxes	(1,55,133)	1,16,470
Exceptional items	42,180	(2,09,605)
Extraordinary items	5,500	-
Current tax	-	-
Fringe Benefit Tax	-	(1,359)
Profit/(Loss) after Current Tax	(2,02,813)	(94,494)
Deferred Tax	32,204	17,827
Minimum Alternate Tax Credit entitlement	-	-
Profit/(Loss) after tax	(1,70,609)	(76,667)

Income Tax

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

Internal Control

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The Internal Control is supplemented by an extensive program of internal audits, review by management and documented policies, guidelines and procedures. The Internal control is designed to ensure that the financial and other records are reliable for preparing financial statement and other datas 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 and independent auditors and provides oversight as necessary.

The internal audit function adequately provides –

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



ANNEXURE C

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

1. CONSERVATION OF ENERGY

(A) MEASURES TAKEN

-Nil-

(B) IMPACT OF THE ABOVE MEASURES

- Does not arise -

(C) ENERGY CONSUMPTION

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

2. TECHNOLOGY ABSORPTION

(A) PROCESSES FOR VALUE ADDITION : Nil

(B) BENEFITS : Enlarging customer base

(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 and cotton knitted garments continue to be the thrust areas for the Company.

B. Plans and Initiatives taken to increase exports : Export of cotton yarns under the outsourced yarns Division

4. Total Foreign Exchange earning and outgo

(Rs. in thousands)

	Year ended on March 31st	
	2010	2009
Total Foreign Exchange earnings	2,26,684	3,46,586
Total Foreign Exchange outgo	5,549	9,300

FORM A

Conservation of Energy

For the year ended on 31st March

2010

2009

A Power and Fuel consumption

Electricity

a	Purchased	KWHr	1,26,522	1,68,540
	Total amount	Rs.thousands	773	1,021
	Rate per Unit	Rs.P.	6.11	6.06
b	Generation for captive usage	KWHr	8,395	18,451
	Total amount	Rs.thousands	194	310
	Rate per Unit	Rs.P.	23.11	16.78
	Units generated per litre	KWHr	1.50	1.81

B. Consumption per unit of Production

a	Electricity	KWHr	Nil	Nil
b	Consumption for production per Kg.	KWHr	Nil	Nil

For and on behalf of the Board of Directors

Place : Tirupur
Date : 12.11.2010

Purushottam Patodia
Chairman and Managing Director

PRIME URBAN DEVELOPMENT INDIA LIMITED

PRIME URBAN DEVELOPMENT INDIA LIMITED

(Formerly Prime Textiles Limited)

REPORT ON CORPORATE GOVERNANCE YEAR ENDED 31ST MARCH 2010

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

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

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

II Board Of Directors

a. Composition of the Board

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

b. Board Meetings

The Board meets at least once 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

Five Board Meetings were held during the year 2009-10 and the gap between two consecutive meetings did not exceed four months. The dates on which the Board Meetings held were 30th June 2009, 28th July 2009, 29th October 2009, 30th December 2009, and 20th January 2010

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

Name of Director	Category	No. of Board Meetings attended	Attended at the last AGM
Mr. Purushottam Patodia Chairman and Managing Director	Promoter Non Independent Executive	5	No
Mr. Manoj Kumar Patodia Vice Chairman & Managing Director	Promoter Non Independent Executive	5	Yes
Mr. Anuj K. Patodia Managing Director	Promoter Non Independent Executive	5	No