



**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 2<sup>nd</sup> 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 31<sup>st</sup> March 2013 and the Profit and Loss Account for the year ending 31<sup>st</sup> 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 25<sup>th</sup> July 2013 to 2<sup>nd</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 Capital (Singapore) Pte. Ltd	
Edelweiss Alternative Asset Advisory Limited			
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 ₹ in thousands	2012 ₹ in thousands
Turnover and other Income	245,644	271,109
<b>EBIDTA</b>	<b>1,222</b>	<b>34,464</b>
Interest	16,664	18,677
Depreciation and Amortization	2,056	1,996
<b>Profit/(Loss) before taxes</b>	<b>(17,498)</b>	<b>13,791</b>
Exceptional items	—	44,500
<b>Profit/(Loss) after tax</b>	<b>(17,498)</b>	<b>(30,709)</b>
Surplus from previous year brought forward	64,972	95,681
Transfer from Business Reconstruction Reserve	—	44,500
Transferred to General Reserve	—	(44,500)
<b>Amount available for appropriation</b>	<b>47,474</b>	<b>64,972</b>

### 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 26<sup>th</sup> May 2012, 11<sup>th</sup> August 2012, 10<sup>th</sup> November 2012 and 12<sup>th</sup> 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

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

The Board of Prime 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,