

80th
Annual Report
2016-2017



PRIME URBAN[®]
DEVELOPMENT INDIA LTD.

we make your dreams come true

CONTENTS

Page Nos.

Corporate Information	1
Letter from the Chairman	2
Notice of Annual General Meeting	3
Directors' Report	12
Management Discussion and Analysis	41
Corporate Governance Report	49
Auditors' Report	66
Balance Sheet	70
Statement of Profit and Loss	71
Cash Flow Statement	72
Significant Accounting Policies	73
Notes forming part of the Financial Statements	75
Auditors' Report on Consolidated Financial Statements	89
Consolidated Balance Sheet	92
Consolidated Statement of Profit and Loss	93
Consolidated Cash Flow Statement	94
Significant Accounting Policies on Consolidated Financial Statements	95
Notes forming part of the Consolidated Financial Statements	96
Financial Information on Subsidiary/Associates Companies/ Joint Ventures	107
Proxy Form	108
Attendance Slip	109
Ballot Paper	110

PRIME URBAN DEVELOPMENT INDIA LIMITED

80th ANNUAL REPORT 2016-17

CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mr. Purusottamdas Patodia

VICE CHAIRMAN

Mr. Manoj Kumar Patodia

MANAGING DIRECTOR

Mr. Anuj Patodia

WHOLE TIME DIRECTOR

Mr. T. Paul Sugumaran

DIRECTORS

Mr. N.K. Bafna

Mr. Banwarilal Singhal

Mr. Venkatchalam Ramaswamy

Mrs. Ryna Zaiwalla Karani

CHIEF FINANCIAL OFFICER

Mr. S. Udayananda

**SENIOR MANAGER – LEGAL
AND COMPANY SECRETARY**

Mr. Krunal Shah

STATUTORY AUDITORS

M/s. M.S. Jagannathan & Visvanathan
Chartered Accountants, Coimbatore

INTERNAL AUDITORS

M/s. K. Sundaramurthy & Co.
Chartered Accountants, Coimbatore

LEGAL ADVISORS

M/s. Ramani & Shankar
Advocates, Coimbatore

BANKERS

Central Bank of India

REGISTERED OFFICE

110, Avanashi Road, Gandhi Nagar Post,
Tirupur- 641 603, Tamil Nadu, India.

Tel No.: +91 421 4307800

Fax No.: +91 421 2471463

CORPORATE OFFICE

54-Free Press House, 5th Floor,
215, Free Press Journal Marg,
Nariman Point, Mumbai- 400 021,
Maharashtra, India.

Tel No.: +91 22 6164 5000

Fax No.: +91 22 6164 5070

Email ID: companysecretary@ptlonline.com

**REGISTRAR & SHARE TRANSFER
AGENTS**

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

Tel No. : +91 422 4958995

Fax No. : +91 422 2539837

WEBSITE

www.ptlonline.com

**CORPORATE IDENTIFICATION
NUMBER**

L70200TZ1936PLC000001

PRIME URBAN DEVELOPMENT INDIA LIMITED

LETTER FROM THE CHAIRMAN



Mr. P. D. Patodia
Chairman and Managing Director

Dear Shareholders, I am very happy to share with you the performance of your Company for the financial year 2016-17.

FY16-17 was a year of Policy reforms. The Central government's commitment to lead the country on a growth path has led to the materialisation of various policy measures. The Government has taken several steps to revive the Realty sector to fulfil the Government's dream of providing Housing to all in the nation.

During the year, the Government undertook various ground breaking policy reforms such as according of Infrastructure status to Affordable housing, enforcement of the Real Estate Regulation Act (RERA), GST Act and Real Estate Investment Trust (REIT). These measures taken by the Government shows its dedication towards the development of Real Estate in India.

These measures will likely stimulate activity in the Real estate sector, bring in transparency, improve credibility, attract investment and cause a shift of consumers to the organised sector ultimately leading to creation of credible and quality real estate in India. The sector is expected to offer an opportunity of Rs. 1.25 Trillion approximately.

Your Company is mainly engaged in the Real Estate sector. I am pleased to inform you that despite tough business environment and the Demonetisation move of the Government, your Company has comfortably sailed through the tide and has given a satisfactory performance.

In FY18 we shall continue to focus on our Villas Project, the Onyx. I am pleased to share with you that Onyx was recently awarded the '**Best Project in Non-Metro Commercial Award**'. Magpie Estate Award accorded this award to our project. Needless to say, it adds enormously to our Brand Value and market standing.

The main focus of your Company is to develop Affordable Housing in the state of Tamil Nadu. Tamil Nadu is the 2nd most economically competitive states in India, one of the 3 most preferred states for business investments and is the 2nd largest contributor to India's GDP. Your Company enjoys unmatched goodwill in the city of Tirupur in the state of Tamil Nadu.

We are further looking to add projects in the affordable housing segment. This is likely to create a new momentum to our project execution and profitability. Given the Government incentives and regulatory push, this segment is likely to create far new opportunities for Real Estate sector.

Your Company's consolidated revenue for FY17 was Rs. 57 Cr. with EBITDA of Rs. 13 Cr. and the PAT stood at Rs. 10 Cr. The Board of Directors have recommended a dividend of 20% i.e Rs. 0.40 (Forty paise only) per Equity share of FV of Rs. 2/- each, subject to the approval of the shareholders at the ensuing Annual General Meeting. With the improving landscape on the back of the positive reforms the outlook for FY18 looks bright.

In the Textile division, our revenues in FY17 were Rs. 24 Cr with an EBIT of Rs. 0.6 Cr. Our products are well accepted in the export market where we enjoy trust and goodwill with our customers of many decades.

Best regards,

P.D. Patodia
Chairman and Managing Director



PRIME URBAN DEVELOPMENT INDIA LIMITED

Corporate Identity Number (CIN): L70200TZ1936PLC000001

Regd. Office: 110, Avanashi Road, Gandhinagar Post, Tirupur-641 603

Website: www.ptlonline.com, Email id: companysecretary@ptlonline.com

Tel. No: +91 421- 4307800 Fax: +91 421-2471463

NOTICE

NOTICE is hereby given that the EIGHTIETH Annual General Meeting of the Members of **PRIME URBAN DEVELOPMENT INDIA LIMITED** will be held at the Registered Office of the Company situated at 110 Avanashi Road, Gandhi Nagar Post, Tirupur-641 603, Tamil Nadu on **Friday, August 11, 2017 at 3.00 p.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements (including audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2017 together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Final Dividend on equity shares of the Company for the Financial Year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Purusottamdas Patodia (DIN: 00032088), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider the appointment of M/s. Raghu and Ram, Chartered Accountants (Registration Number-0033405) as Statutory Auditors of the Company, and if thought fit, to pass, with or without modification(s), the following resolution **as an Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, (including any statutory modification(s) or re-enactments thereof for the time being in force) and considering the recommendations of the Audit Committee and subject to approval of the Members of the Company, M/s. Raghu and Ram, Chartered Accountants, (Firm Registration No. 003340S) be and is hereby appointed as the Statutory Auditors of the Company, to hold office for a term of 5 years from the conclusion of this 80th Annual General Meeting (“AGM”) till the conclusion of 85th AGM of the Company, subject to ratification of the said appointment at every intervening AGM held after this AGM, on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors in consultation with the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to file all necessary forms with the Registrar of Companies and to take all necessary steps and to do all such acts, deeds, matters and things which may be deemed necessary for giving effect to the above Resolution.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules framed thereunder (including any statutory modification(s) or enactment thereof for the time being in force) and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mrs. Ryna Zaiwalla Karani (DIN: 00116930), who was appointed as an Additional Director of the Company with effect from 13th April, 2017

PRIME URBAN DEVELOPMENT INDIA LIMITED

under Section 161 of the Act and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member, proposing the candidature of Mrs. Ryna Zaiwalla Karani for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (Five) consecutive years commencing from 13th April, 2017 and the term shall not be subject to retirement by rotation.”

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

Place : Mumbai
Date : May 24, 2017

Krunal Shah
Senior Manager-Legal and Company Secretary

Registered Office:
110, Avanashi Road,
Gandhinagar Post,
Tirupur-641 603, Tamil Nadu.



NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument appointing the Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the AGM. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business to be transacted at the AGM, is annexed hereto.
3. Corporate members intending to send their authorized representative(s) to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 5th August, 2017 to Friday, 11th August, 2017 (both days inclusive).
5. Documents in respect of items referred to in the accompanying Notice and the Explanatory Statement are available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. upto the date of the AGM on all working days (except Saturday, Sunday and Public Holidays).
6. The Final Dividend for the financial year ended 31st March, 2017, as recommended by the Board of Directors and if approved at the AGM, will be paid on or after Wednesday, 16th August, 2017 to those Members whose name appears in the Register of Members of the Company as on the book closure dates.
7. Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in electronic form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants.
8. Members holding shares in physical form are requested to notify/send:
 - Any change in their address/mandate/bank details;
 - Particulars of their bank account, in case the same have not been sent earlier;
 - Quote their Folio numbers in all correspondences; and
 - Applications for consolidating their holdings into one folio in case shares are held under multiple folios in the identical order of names to the Company's Registrar and Share Transfer Agent, SKDC Consultants Limited, Coimbatore at the earliest but not later than 4th August, 2017.
9. Information as required to be provided pursuant to the requirements of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with regards to the Directors seeking appointment and re-appointment at this AGM is given as an Annexure to this Notice.
10. Electronic copy of Annual Report for the financial year 2016-17 and Notice calling the 80th AGM of the Company inter alia indicating the process and manner of Remote E-voting along with Attendance Slip and Proxy Form is also being sent to all Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of Annual Report for the financial year 2016-17 and Notice of the 80th AGM of the Company inter alia indicating the process and manner of Remote E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

PRIME URBAN DEVELOPMENT INDIA LIMITED

11. Members/ Proxies are requested to bring the Attendance Slip(s) duly filled in and copies of the Annual Report at the AGM.
12. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
13. Members are requested to send all communications relating to shares to the Registrar and Share Transfer Agents of the Company at the following address:

S.K.D.C. Consultants Limited

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

14. The Securities and Exchange Board of India ("SEBI") has mandated submission of Income Tax Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
15. a. In accordance to the provisions of Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer to its Members facility for voting through electronic means ("E-voting") on the resolutions proposed to be passed at the AGM.

The Company has engaged Central Depository Services (India) Limited ("CDSL"), an agency authorized by the Ministry of Corporate Affairs for providing e-voting platform.

b. The Members may cast their votes through E-voting from a place other than the venue of the AGM ("Remote E-voting").

c. Voting through physical ballot paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by Remote E-voting shall be able to cast their vote by physical ballot paper at the Meeting.

d. The Members who have cast their vote by Remote E-voting may also attend the Meeting but shall not be entitled to cast their vote again.
16. Any person who becomes a Member of the Company after dispatch of this Notice and holding shares as on the cut-off date i.e. 4th August, 2017, may obtain the User ID and password for Remote E-voting by sending request at companysecretary@ptlonline.com.
17. Mr. S. Ramanathan, Practising Chartered Accountant (Membership No. FCA 019532) has been appointed as the Scrutinizer to scrutinize the E-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.
18. The Scrutinizer shall, after scrutinising the votes cast at the AGM and through Remote E-voting, not later than 2 (two) days from the conclusion of the AGM make a consolidated Scrutinizer's report and submit the same to the Chairman.

The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company i.e. www.ptlonline.com and on the website of CDSL and shall also be communicated to BSE Limited.
19. In case of joint holders, attending the meeting, only such joint holder, who is higher in the order of names, will be entitled to vote at the Meeting.



20. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection at the Annual General Meeting.
21. Members desirous of obtaining any information as regards Accounts are requested to write to the Company at least one week before the AGM so that the information required will be made available at the AGM.
22. The Annual Report for the financial year 2016-17, Notice calling the 80th Annual General Meeting and Attendance Slip/Proxy Form will also be available on Company's website - www.ptlonline.com. Physical copies of the aforesaid documents will also be available for inspection at the Registered Office of the Company between 11.00 a.m and 1.00 p.m upto the date of the AGM on all working days (except Saturday, Sunday and Public Holidays).
23. The Company is concerned about the environment and utilizes natural resources in a sustainable way. To support "Green Initiative", the Members are requested to update their email address, with their concerned Depository Participant to enable us to send you necessary documents /communication via email. Members who hold shares in physical form are requested to register their e-mail address with S.K.D.C Consultants Limited, Registrar and Share Transfer Agents.

INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, August 8, 2017 at 9.00 a.m. and ends on Thursday, August 10, 2017 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, August 4, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

PRIME URBAN DEVELOPMENT INDIA LIMITED

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "**PRIME URBAN DEVELOPMENT INDIA LIMITED**" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual shareholders and Custodians
 - Non-Individual Shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 5

The Board of Directors of the Company ("Board") have vide circular resolution dated April 13, 2017, appointed Mrs. Ryna Zaiwalla Karani as an Additional Director, Non-Executive Independent of the Company. Pursuant to the provisions of the Section 161 of the Companies Act, 2013, read with Rules framed thereunder, Mrs. Ryna Zaiwalla Karani shall hold office only upto the date of this Annual General Meeting.

In Compliance with the provisions of Section 149 of the Companies Act, 2013, appointment of Mrs. Ryna Zaiwalla Karani as an Independent Director is now placed before the Shareholders for their approval. In terms of the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice from a Member of the Company, signifying his intention to propose the appointment of Mrs. Ryna Zaiwalla Karani, as an Independent Director of the Company.