



Property Development Corporation Ltd.

19th Annual Report
2010-2011



19th ANNUAL GENERAL MEETING

Day & Date : Friday, September 30, 2011
Time : 11.30 A.M.
Venue : Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha,
 Bhaktivedant Swami Marg, Vile Parle (West), Mumbai – 400056.

BOARD OF DIRECTORS

Shri. Padamshi L. Soni	Chairman
Shri. Y. C. Pawar	Independent Director
Shri. K. Nalinakshan	Independent Director
Shri. Satendra Bhatnagar	Independent Director
Shri. I. G. Shah	Independent Director
Shri. Manish P. Soni	Whole Time Director
Shri. Vishal P. Soni	Whole Time Director
Shri. Alok Chowdhury	Whole Time Director & C.E.O.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Zarana Jhaveri

AUDITORS

M/s. Vora & Associates

Chartered Accountants, Mumbai

ADVOCATE & SOLICITORS

Vinod Mistry & Co.
 Advocates & Solicitors, Mumbai

BANKERS

State Bank of India
 Indian Overseas Bank
 Syndicate Bank
 Axis Bank Ltd.

REGISTERED OFFICE

101, Soni House, Plot No. 34,
 Opp. Copper Chimney,
 Gulmohar Road No. 1,
 J.V.P.D. Scheme, Vile Parle (West),
 Mumbai - 400 049.
 Email: primeproperty@vsnl.net
 Website: www.ppdcl.com

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (W),
 Mumbai 400 078
 Email: mumbai@linkintime.co.in
 Ph. No.: 25963838, Fax No.: 25962691

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NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of **PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED** will be held on Friday, September 30, 2011 at Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Vile Parle (W), Mumbai - 400056 at 11.30 A.M. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on March 31, 2011 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Ishwarchand Shah, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Manish Soni, who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT M/s Vora & Associates, Chartered Accountants, Mumbai, Registration No. 111612W, the retiring Auditors, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration and reimbursement of expenses as agreed upon by the Board of Directors and the Auditors in connection with the audit of the accounts of the Company for the year ending on 31.03.2012."

SPECIAL BUSINESS

6. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution**

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Alok Chowdhury, Whole-time Director and CEO of the Company, be and is hereby re-appointed for the tenure of 3 yrs w.e.f.01.01.2011 to 31.12.2013 on a remuneration of Rs. 150000/- per month inclusive of perquisites plus bonus as per Company policy, and, as determined by the Board of Directors and Remuneration Committee and as set out in the agreement between the Company and Shri Alok Chowdhury."

7. **To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Manish Soni, Whole-time Director of the Company, be and is hereby re-appointed for the tenure of 5 yrs w.e.f.01.08.2011 to 31.07.2016 on a remuneration of Rs. 150000/- per month inclusive of perquisites plus bonus as per Company policy, and, as determined by the Board of Directors and Remuneration Committee and as set out in the agreement between the Company and Shri Manish Soni."

8. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Vishal Soni, Whole-time Director of the Company, be and is hereby re-appointed for the tenure of 5 yrs w.e.f.01.08.2011 to 31.07.2016 on a remuneration of Rs. 150000/- per month inclusive of perquisites plus bonus as per Company policy, and, as determined by the Board of Directors and Remuneration Committee and as set out in the agreement between the Company and Shri Vishal Soni."

By order of the Board of Directors

P.L.SONI
CHAIRMAN

Date : 30th July, 2011

Registered office :

101, Soni House, Plot No.34, Gulmohar Road No.1,
JVPD Scheme, Vile Parle (W), Mumbai -400049.

ANNEXURE TO NOTICE

An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Item No. 6

The Board of Directors, on the recommendations of the Remuneration Committee, in its Meeting held on January 29, 2011 and subject to the approval of the members of the Company in the Annual General Meeting and the provisions of the Companies Act, 1956, has re-appointed Shri. Alok Chowdhury for a period of three years w.e.f. 1-1-2011 to 31-12-2013 on existing remuneration of Rs. 1,50,000/- per month, inclusive of all the perquisites plus bonus as per Company's policy.

Item No. 7

The Board of Directors, on the recommendations of the Remuneration Committee, in its Meeting held on July 30, 2011 and subject to the approval of the members of the Company in the Annual General Meeting and the provisions of the Companies Act, 1956, has re-appointed Shri. Manish Soni for a period of five years w.e.f. 01-08-2011 to 31-07-2016 on existing remuneration of Rs. 1,50,000/- per month, inclusive of all the perquisites, plus bonus as per Company's policy.

Shri. Padamshi Soni, Shri. Manish Soni and Shri. Vishal Soni are concerned and interested in the resolution pertaining to the remuneration payable to Shri Manish Soni, as they are related to one another. None of the other Directors of the Company are concerned or interested in the resolution.

**Item No. 8**

The Board of Directors, on the recommendations of the Remuneration Committee, in its Meeting held on July 30, 2011 and subject to the approval of the members of the Company in the Annual General Meeting and the provisions of the Companies Act, 1956, has re-appointed Shri. Vishal Soni for a period of five years w.e.f. 01-08-2011 to 31-07-2016 on existing remuneration of Rs. 1,50,000/- per month, inclusive of all the perquisites, plus bonus as per Company's policy.

Shri Padamshi Soni, Shri Manish Soni and Shri Vishal Soni are concerned and interested in the resolution pertaining to the remuneration payable to Shri. Vishal Soni, as they are related to one another. None of the other Directors of the Company are concerned or interested in the resolution.

Pursuant to schedule X I I I, statement is given to shareholders containing the following information namely:-

I. General Information :

1. Nature of Industry: Real Estate
2. Date or expected date of commencement of commercial production: NA
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus-NA
4. Financial performance : Your Company, during the year has not booked any sale from business operations and therefore has incurred a Net loss of Rs. 310.45 lacs as against income of Rs. 2711.67 Lacs and profit of Rs 396.87 Lacs, respectively, in the previous year.
5. Export performance and net foreign exchange collaboration –Nil
6. Foreign investments or collaborators, if any: Nil

I I . Information about the Appointee:**I. Background details:**

- a. **Shri. Alok Chowdhury** joined in 2001 as the CEO of the Company and inter alia looks after finance, banking, documentation and administration. He was appointed as Whole Time Director and CEO for 3 yrs w.e.f. 1-1-2008. He is a member of Shareholders/Investors Grievance Committee.
- b. **Shri. Manish Soni**: joined the Company since 16-08-2000 as the Director of the Company, and was appointed as Whole time Director since 01-08-2006 for a period of 5 years. He provides on - site support to the operating functionaries of the Company. He is a member of Shareholders/ Investor's Grievance Committee.
- c. **Shri. Vishal Soni** : joined the Company since 16-08-2000 as the Director of the Company and was appointed as Whole time Director since 01-08-2006 for a period of 5 years. He looks after accounts, material management and provides on - site support to the operating functionaries of the Company. He is a member of Audit Committee.
2. Past Remuneration: Rs. 1,50,000/- per month, each.
3. Recognition or awards: Nil
4. Job profile and suitability: same as given in I above
5. Remuneration proposed :Rs. 1,50,000/- per month, each.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would w.r.t. the country of origin): Market dictated
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Shri. Manish Soni and Shri. Vishal Soni are brothers and are related with Shri. Padamshi Soni, their father.

I I I . Other information

Reasons of loss or inadequate profits: same as point 4 in General Information above.

Steps taken or proposed to be taken for the improvement: Project completion is in progress.

Expected increase in productivity and profits: Sale on completion of projects would bring profits in the future years.

IV. Disclosures

The information about remuneration package is discussed under the head of Corporate Governance.

By order of the Board of Directors

PL.SONI
CHAIRMAN

Date : 30th July, 2011

Registered office :

101, Soni House, Plot No.34, Gulmohar Road No.1,
JVPD Scheme, Vile Parle (W), Mumbai -400049.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENTS APPOINTING PROXY SHOULD BE DULY STAMPED COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF ANNUAL GENERAL MEETING.
2. The explanatory statement pursuant to section 173(2) of the Companies Act, 1956, relating to Special Business to be transacted at the ensuing Annual General Meeting and also the information as per schedule X I I I is annexed hereto and forms part of Notice.
3. The Register of Members & the Share Transfer Books of the Company will remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive).
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
5. Members/Proxy holders are requested to bring their Attendance slip duly completed and signed along with their copy of Annual Report to the Meeting.
6. Shareholders are requested to immediately notify change in address, if any, to the Depository Participant with whom they maintain demat accounts for shares held in electronic mode and to the Company's Registrar & Transfer Agents for the shares held in physical mode.



7. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificate to consolidate their holdings in one folio.
8. Members holding shares in electronic form may kindly note that their Bank details as furnished by the respective depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and that Company will not entertain any direct request from such members for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to dividend paid on shares in electronic form. Members may, therefore, give instructions regarding Bank accounts in which they wish to receive dividend.
9. Pursuant to section 205A of the Companies Act, 1956, no unclaimed dividend is required to be transferred to Investors Education and Protection Fund as the period of seven years since the transfer of any dividend to Unpaid Dividend Account has not lapsed.
10. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
11. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification.
12. Members wishing to claim dividend of previous years, which remain unclaimed are requested to correspond with Ms Zarana Jhaveri, Company Secretary and Compliance Officer at the Company's Registered Office.
13. Consequent upon introduction of section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in FORM 2B (which will be made available on request) to the Registrar and Share Transfer Agents, LINK INTIME INDIA PRIVATE LIMITED.

The Ministry of Corporate Affairs has taken "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice /documents including Annual Report can be sent by email to its members. To Support this Green initiative of the Government in full measure, members who have not registered their e-mail, so far, are requested to register their email addresses in respect of their holdings with the depository through their concerned Depository Participants. Members who hold share in physical form are requested to contact Ms Zarana Jhaveri, Compliance officer, on: compliance_officer@ppdcl.com or at the Registered office of the Company or Link Intime India Pvt. Ltd.

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

(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Shri. Ishwarchand Shah	Shri. Manish Soni	Shri. Alok Chowdhury	Shri. Vishal Soni
Date of Birth	19/09/1932	30/10/1972	01/11/1943	14/07/1977
Date of Appointment	22/01/2009	On 16/08/2000, he was appointed as Director and since 01/08/2006 was appointed as Whole-time director	Since 2001, he joined as the CEO of the Company and from 01.01.2008 as Whole-time director and CEO	On 16/08/2000, he was appointed as Director and since 01/08/2006 was appointed as Whole-time director
Qualifications	B.A./ LL.B.	B.E.-MECHANICAL	M.A.-ECONOMICS/ C.A.I.I.B.	B.COM.
Expertise in specific functional areas	Sr. Counsel Supreme Court of India, Retired judge of High Court, Mumbai Past District Governor of Rotary International, Ex-president Dhulia Municipality He is the member of Audit Committee	Provides on site support to the operating functionaries of the Company. He is the member of Shareholders/ Investors' Grievance Committee	Inter-alia looks after finance, banking, documentation and administration. He is the member of Shareholders/ Investors' Grievance Committee.	Looks after accounts, material management and provides on site support to the operating functionaries of the Company. He is the member of Audit Committee.
List of other Companies in which Directorship held as on 31 st March, 2011	NIL	Sea-king Club Pvt. Ltd.	NIL	Sea-king Club Pvt. Ltd.
Chairman / member of the Committee of the Boards of the other Companies on which he is a Director as on 31 st March 2011.	NIL	NIL	NIL	NIL



DIRECTORS' REPORT

To
The Members,
Prime Property Development Corporation Limited

Your Directors have pleasure in presenting the 19th Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31, 2011.

A. Financial Results :

Particulars	(Rs. In lacs)	(Rs. In lacs)
	2010-2011	2009-2010
Business & Other Income	(10.07)	2711.67
Profit / (Loss) before Interest, Depreciation & Tax	(243.54)	687.89
Less:		
a. Interest	165.41	67.20
b. Depreciation	54.85	35.00
Profit / (Loss) before tax	(463.80)	585.69
Less: Provision for Tax:		
a. Current Year	0.30	214.50
b. Deferred Tax	(150.55)	(3.80)
Profit / (Loss) after tax but before Extraordinary items	(313.55)	374.99
Add: Interest Income of Previous year	Nil	12.56
Add: (Short)/Excess provision for taxes and interest of earlier years	3.10	9.32
Profit / (Loss) after tax	(310.45)	396.87
Proposed Dividend	100.00	150.00
Corporate Dividend Tax	16.99	25.49
Transfer to General Reserve	Nil	40.00
Balance brought forward from Previous Year	5343.56	181.38
Balance carried to Balance Sheet	4916.11	5343.56

B. Dividend :

Even though there is no profit this year, your Directors are pleased to recommend a dividend, out of reserves and surplus, of 10% on the equity shares, i.e. Rs.0.50 per equity share of Rs. 5/- each, for the financial year ended 31.03.2011, to maintain consistency.

C. Current Year's Operation :

Pune Mall project of your Company which was scheduled to be completed by this year end, got marginally delayed and is now expected to be completed by the second quarter of year 2011-2012. Consequently, the Company did not realize any



sale during this year and has incurred a net loss of Rs. 310.45 lacs, as against income of Rs.2711.67 lacs and a profit of Rs.396.87lacs respectively in the previous year. For the major part of the year, real estate industry fared well, but got plagued by controversies during the latter part of the year. This adversely affected the decision making by the authorities that generally delayed many real estate proposals requiring clearance. The commercial project at Vile Parle(W), which was taken in the previous year, is now at the half stage of completion.

D. Future Prospects :

With the scheduled completion and sale of the Pune Mall Project during 2011-12 and of the Vile Parle(w) project in the subsequent year, your directors are confident of reporting much improved results in the future.

E. Directors' Responsibility Statement :

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that :

- In the preparation of the Annual Accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed and there has been no material departure.
- The Directors have selected such accounting policies in consultation with statutory auditors and applied them consistently and made judgments and estimates that were reasonable and prudent to maintain the matching of revenue concept, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2011 and of the loss of the Company for that period.
- The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the interest of the Company and for preventing and detecting fraud and other irregularities.
- The Annual Accounts for the financial year ended March 31, 2011, is prepared on a 'going concern' basis.

F. Directors :

Shri I.G.Shah, Independent Director, retires by rotation at the ensuing Annual General Meeting & being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Shri Manish Soni, Whole time Director, retires by rotation at the ensuing Annual General Meeting & being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

On recommendation of Remuneration Committee, the Board has re-appointed Shri. Alok Chowdhury w.e.f.01.01.2011 for the period of 3 yrs and Shri. Manish Soni and Shri. Vishal Soni w.e.f.01.08.2011 for the period of 5 yrs, subject to the approval of members in the Annual General Meeting. The brief resumes / details relating to Directors seeking re-appointment are furnished in the Annexure to the notice.

G. Subsidiary :

The operations of Subsidiary Company has been temporarily suspended pending renovation of the hotel with modern and improved amenities. The project is in pipeline and will be started as soon as the necessary formalities are over.

H. Fixed Deposits :

Your Company has not accepted any deposits from the public, during the year under review.



I. Corporate Governance :

A separate section on Corporate Governance is included in the Annual Report and the certificate from the Company's Auditors confirming the compliance of the conditions on Corporate Governance as stipulated in clause 49 of Listing Agreement with the Stock Exchange is annexed thereto.

J. Disclosure of Particulars :

(1) Material Changes after the Date of Balance Sheet :

Pursuant to provisions of Section 217(1)(d) of the Companies Act, 1956, there has been no material change and commitment affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

(2) Particulars Under Section 217 (1) (e) Of The Companies Act, 1956 :

Additional information required under the provisions of the above Section read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding a) Conservation of Energy and b) Technology Absorption, is not applicable, as the Company is not carrying out any manufacturing operation.

c) Foreign Exchange Earnings and Outgo:

There is no expenditure / earnings in foreign exchange for the current year (Previous year Rs. NIL)

(3) Particulars of Employees :

There are no employees in receipt of remuneration exceeding 24,00,000/-, the limit prescribed under the provisions of Section 217 (2A) of the Companies Act 1956 and rules framed there-under read with the Companies (Particulars of Employees) Rules, 1975.

K. Auditor's Report :

The observations of the Auditors in their Report have been dealt with in the Notes forming part of the accounts and other statements, which are self-explanatory.

L. Auditors :

M/s. Vora & Associates, Chartered Accountants, Statutory Auditors, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have furnished a certificate to the effect that their proposed appointment, if made, will be in accordance with the limit specified under section 224 (1B) of the Companies Act, 1956.

M. Acknowledgement :

Your Directors would like to express their grateful appreciation for assistance and co-operation received from Banks, Authorities and all stake holders, customers and suppliers during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Employees of the Company.

For and On behalf of the Board of Directors

P. L. Soni
Chairman

Place : Mumbai

Date : July 30, 2011



MANAGEMENT DISCUSSION & ANALYSIS

Overview :

Global economy presented a positive growth in the previous year 2010 & has continued its recovery in the year 2011, mainly led by emerging market economies. Advanced economies have, however, performed below potential & are facing serious adjustment problems in some.

Indian economy as a whole continues to post a robust growth in 2011 with a GDP growth of 8.5%. Domestic demand has been good, as were the corporate earnings & profit margins. Inflationary pressure has been persistently above comfort level despite regular hammerings by the monetary & fiscal authorities & is getting careful monitoring from authorities.

Real Estate Industry :

The Indian real estate industry has been very volatile during 2010-2011. Scams, tax reforms, the easement of foreign direct investment norms had far reaching effects on Indian realty sector and also the economy.

The importance of the Real Estate Sector, as an engine of the nation's growth, can be gauged from the fact that it is the second largest employer next only to agriculture and grows at about 30% per annum. Five per cent of the country's GDP is contributed by the housing sector. The Real Estate Industry has significant linkages with several other sectors of the economy and over 250 associated industries.

The industry caters to the most basic needs of the people, society, industry & business segments, but is plagued by many ills. Some are created by the players themselves & some others are results of government policies & general apathy. Multiple taxation levies & their complexities coupled with innumerable approvals required to start & complete a project, are back-breaking. On top of these are lack of clarity on even land ownership at local government levels, giving rise to unproductive litigation & apprehension.

On the other hand, there have been some welcome initiatives at both apex & state levels, towards creating awareness & encouraging environment friendly, socially relevant & employment-generating projects. Continuing expenditure on infrastructure development is also a very positive action on the part of the government.

Business Analysis :

Your company operates in that segment of real estate industry, which caters to the high net worth residential & commercial needs. During the year, both the projects of the company that is, the Mall / Multiplex project at Pimpri, Pune & the commercial project at Vile Parle (W) were in progress. As such, there was no sale realization during the year. However, Pune Mall project is now expected to be ready by the 2nd quarter of 2011-12, & proposals for immediate sale thereafter are under consideration.

The Vile Parle (W) project is at the mid-stage of construction & await certain routine clearances for further progress. The project is now scheduled for completion in the next year.

Barring unforeseen circumstances, the company's future operations are expected to be profitable.

Opportunities, threats, risks & concerns :

Demand for quality residential & commercial premises are growing & the trend is expected to continue due to :

- Higher level of economic activity both by domestic & foreign players;
- Higher level of income of individuals & companies;



- Changing bias in favour of larger shopping areas & Malls;
- General trend towards branded retail goods, including agricultural products.

Products of your company therefore would continue to be in demand, given the location & workmanship thereof.

Shortage of suitable land availability in the preferred area of operation of your Company is definitely a cause for concern, restricting the scale of business activity.

Persistent inflationary pressure & raising of interest rates by banks may affect real demand in the short run.

Segment Performance :

Your Company operates in a single business segment, namely property development; hence, no further disclosure is required under Accounting Standard 17 on segment reporting.

Internal Control Systems & their adequacy :

The Company has a regular system of internal Check & control, costing, budgeting, forecasting, monitoring projections & efforts are put to further strengthen the system.

Material Development in Human Resources:

The Company uses the services of a fairly good team of Engineers, Architects, Contractors, Suppliers and Legal Advisors. The people employed by the Company and other agencies working for the project, are technically qualified and help in successful and timely execution of projects. The Company has a qualified Company Secretary and Compliance Officer to deal with all secretarial work and service to shareholders.

Disclaimer :

Statements in this Management Discussion and Analysis describing the Company's objectives, projections and expectations may be "forward looking statement" within the meaning of applicable laws and regulations. Actual result might differ materially from those either expressed or implied. Important factors that materially affect the future performance of the Company include the State of the Indian economy, changes in government regulations, tax laws, input availability and prices, and the State of financial markets and other factors such as litigation over which the Company does not have direct control.

For and On behalf of the Board of Directors

P. L. Soni
Chairman

Place : Mumbai

Date : July 30, 2011



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-2011

The Corporate Governance code is a professional system framed for directing and controlling the organization. The purpose is to ensure compliance of local statutes and ensure safeguard and value addition in long term to the interest of its members, creditors, customers and employees.

The company has initiated the practice of incorporating the Corporate Governance Report in the Annual Report in compliance with clause 49 of Listing agreement of BSE. A concerted attempt has been made to bring in transparency and professionalism to ensure ethical standard in business activities while implementing the Corporate Governance Code. The management places on record that the mandatory compliances to constitute various committees as required by clause 49 of the listing agreement of the BSE, are in place.

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of Listing Agreement as applicable to the Company is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company is committed to good corporate governance and has implemented the corporate governance norms as prescribed by SEBI. The Company's philosophy of corporate governance is based on preserving core values and ethical business conduct which enhances the efficiency of the Board and inculcates a culture of transparency, accountability and integrity across the Company.

2. BOARD OF DIRECTORS :

The Company is fully compliant with the Corporate Governance Norms in terms of constitution of the Board which is well blended with a good combination of Executive and Independent Directors. The Board has complete access to any information within the Company & to any employee of the Company.

Pursuant to clause 49 of listing agreement, the Board meets at least once in every quarter to review quarterly results and other items on the agenda and, if necessary, additional meetings are held and gap between two board meetings is not more than 4 months. 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.

Present strength of the Board of Directors is eight whose composition is given below:

Promoter, Chairman	-	1
Promoter, Whole Time Directors	-	2
Whole time Director & CEO	-	1
Independent Directors	-	4

During the financial year ended March 31, 2011, **four** Board Meetings were held on 30th April, 2010, 12th July, 2010, 20th October, 2010, 29th January, 2011.

Attendance of Directors at Board Meetings during the financial year and the last AGM and details of Membership in other Boards and Committees are as under:

Name of the Director	Composition and Category	No. of Board Meetings attended	Attendance at last AGM held on Sept. 30, 2010	No. of Directorship in other companies		No. of Committee positions held in other public companies	
				Member	Chairperson	Member	Chairperson
Shri Padamshi L. Soni	Chairman	4	Yes	0	1	0	0
Shri Nalinakshan S. Kolangaradath	Independent Director	4	Yes	2	0	0	0
Shri Yadavrao. C. Pawar	Independent Director	4	Yes	0	0	0	0
Shri Satendrakumar C. Bhatnagar	Independent Director	4	Yes	1	0	0	0
Shri Ishwarchand. G. Shah	Independent Director	4	Yes	0	0	0	0
Shri Manish P. Soni	Whole time Director	4	Yes	1	0	0	0
Shri Vishal P. Soni	Whole time Director	4	Yes	1	0	0	0
Shri Alok A. Chowdhury	Whole time Director, CEO	4	Yes	0	0	0	0

Note :

1. Independent Directors have the same meaning as interpreted in Clause 49 of Corporate Governance.
2. The above details are latest as provided as on 31.03.2011.



3. DISCLOSURE REGARDING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS:

a. RETIREMENT BY ROTATION

In accordance with the provisions of the Companies Act, 1956, Shri. Manish P. Soni and Shri. Ishwarchand G. Shah, retire by rotation and have expressed their willingness to be re-appointed at the ensuing Annual General Meeting.

b. Re-appointment of Directors:

On recommendation of Remuneration Committee, the Board has re-appointed Shri. Alok Chowdhury w.e.f.01.01.2011 for the period of 3 yrs and Shri. Manish Soni and Shri. Vishal Soni w.e.f.01.08.2011 for the period of 5 yrs, subject to the approval of members in the Annual General Meeting.

4. AUDIT COMMITTEE:

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as section 292A of the Companies Act, 1956.

The primary role of Audit Committee is:

- To oversee the Company's financial reporting process and disclosure of financial information.
- To review the financial statements, adequacy of internal control systems and periodic audit reports.
- To recommend to the Board the matters relating to the financial management of the Company.
- To recommend appointment/re-appointment of Statutory Auditors and fixation of their remuneration.
- To hold discussions with Statutory Auditors periodically.

The Statutory Auditors of the Company are invited to attend Audit Committee Meetings, to discuss and review the quarterly/half yearly unaudited results, the annual audited accounts, internal audit, matters relating to the compliance with accounting standards, auditor's observations arising from the audit of the Company's accounts and other related matters.

The Chairman of the Audit Committee is an Independent Director. He was present in AGM of the Company held on 30.09.2010.

During the financial year ended March 31, 2011, **four** Audit Committee Meetings were held on 30th April, 2010, 12th July, 2010, 20th October, 2010, 29th January, 2011.

The names of the Committee Members and number of Meetings attended during the year are as follows:

Name of the Members	Composition and Category	Total Meetings Attended
Shri. Nalinakshan S. Kolangaradath	Chairman	4
Shri. Satendrakumar C. Bhatnagar	Member	4
Shri. Padamshi L. Soni	Member	4
Shri. Vishal P. Soni	Member	4
Shri. Ishwarchand G. Shah	Member	4

5. REMUNERATION COMMITTEE:

The terms of reference of the Remuneration Committee is to determine, review and recommend the Company's policy on specific remuneration packages for Whole Time Directors, Non-Executive Directors and commission payable to the Chairman of the Company. The recommendations of the Committee are put up to the Board of Directors and Shareholders of the Company.

The Remuneration Committee met twice in the year, on 30.04.2010 and 29.01.2011.

The names of the Committee Members, their composition and meetings attended during the year are as follows:

Name of the Members	Designation	Meetings attended
Shri. Padamshi L. Soni	Chairman	2
Shri. Nalinakshan S. Kolangaradath	Member	2
Shri. Yadavrao C. Pawar	Member	2

The remuneration package given to the directors during the year 2010-2011 are as follows:

Name	Designation	Remuneration
Shri. Padamshi Soni	Chairman	Nil
Shri. Manish Soni and Shri Vishal Soni	Whole-time Directors	Rs. 1,50,000 per month each inclusive of perquisites, plus bonus of Rs.50,000 each.
Shri. Alok Chowdhury	Whole-time Director and CEO	Rs. 1,50,000 p.m. inclusive of perquisites, plus bonus of Rs.50,000.
Shri. Nalinakshan Kolangaradath, Shri. Ishwarchand Shah, Shri. Satendra Bhatnagar, Shri. Yadavrao Pawar	Independent Directors	Rs. 25000 per person per meeting



Based on the recommendation of Remuneration Committee, and subject to the approval of Shareholders, the Board has re-appointed Shri. Alok Chowdhury w.e.f. 01.01.2011 for the period of 3 years and Shri. Manish Soni and Shri. Vishal Soni w.e.f. 01.08.2011 for the period of 5 years, on the existing remuneration package.

The Chairman of Remuneration Committee was present in the Annual General Meeting held on 30.09.2010.

Company has not issued any stock options to any of its Directors and Employees.

There are no shares or convertible instruments held by the Independent Directors of the Company.

6. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE:

The Committee reviews all matters connected with the physical securities transfer. The Committee also looks into redressal of shareholders complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of dividends, issue of share certificates on account of bonus, split or any other matter related to securities of the Company. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Committee meets as and when required, depending upon grievances and/ or request for physical transfer of securities received by the Company.

The report received from the Share Transfer Agents as reviewed by the Committee is placed at the Board Meetings from time to time.

During the financial year ended March 31, 2011, **four** Shareholders/Investors' Grievance Committee Meetings were held on 30th April, 2010, 12th July, 2010, 20th October, 2010, 29th January, 2011.

The names of the Committee Members and meetings attended during the year are as follows:

Name of the Members	Designation	Meetings attended
Shri. Yadavrao C. Pawar	Chairman	4
Shri. Manish P. Soni	Member	4
Shri. Alok A. Chowdhury	Member	4

The Company has attended the investors' grievances / correspondence promptly. There were no investors' complaints pending as on March 31, 2011. There were Nil outstanding requests for transfer & Nil pending requests for dematerialization of shares as on March 31, 2011. One court case is pending against Link Intime India Pvt. Ltd, our RTA, by a shareholder of the Company.

Name and designation of Compliance officer

Ms. Zarana Jhaveri

Company Secretary and Compliance officer
Prime Property Development Corporation Limited
101, Soni House, Plot No.34, Gulmohar Road No.1,
JVPD Scheme, Vile Parle (West),
Mumbai- 400049.
Email: compliance_officer@ppdcl.com
Ph.No.: 26208000, Fax: 26235076

7. SUBSIDIARY COMPANY

Sea-king Club Pvt. Ltd. is a wholly owned Subsidiary Company since February, 2010.

Shri. Padamshi Soni, Shri. Manish Soni and Shri. Vishal Soni are the Directors of the Company.

In compliance with the clause 49(III)(ii), the Audit Committee of Prime Property Development Corporation Ltd. reviews the financial statements, in particular, the investment made by unlisted Subsidiary Company.

The Minutes of the Board meetings of the unlisted Subsidiary Company are placed at the Board meeting of Prime Property Development Corporation Ltd. The management periodically brings to the attention of Board of Directors, all significant transactions and arrangements entered into by the Subsidiary Company. The Subsidiary Company has not made any investments as on 31.03.2011.

The Ministry Of Corporate Affairs, Government of India, has granted a general exemption from attaching Balance sheet, Profit and Loss statement and Schedules thereto and Reports of Board of Directors and Auditors vide its general circular no.2/2011 dated 8th February, 2011. In view of this circular your company has not annexed audited annual accounts of the subsidiary viz. Sea-King Club Pvt. Ltd. for the year ended 31.03.2011. Your Board of Directors in its meeting held on 30th July 2011 has by resolution also given consent for not attaching the Annual Accounts of the Subsidiary Company. Shareholders interested in obtaining copies of Annual Reports of Subsidiary Company are requested to get in touch with Ms. Zarana Jhaveri.



8. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue
2007-2008	Sept. 30, 2008	11.30a.m.	Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Vile Parle (W), Mumbai 400 056.
2008-2009	Sept. 30, 2009	11.30a.m.	Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Vile Parle (W), Mumbai 400 056.
2009-2010	Sept. 30, 2010	11.30a.m.	Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Vile Parle (W), Mumbai 400 056.

The special resolutions as stated in the respective notices were passed in the meetings by the shareholders.

No extraordinary general meeting was held during the year.

Postal ballot was conducted during the year 2010-2011.

Shri. Sanjay Dholakia, Practicing Company Secretary, was appointed as the Scrutinizer for conducting the Postal Ballot voting process.

All the 3 ordinary resolutions were passed in the Postal Ballot.

9. DISCLOSURES :

The Board has authorized Prime Property Development Corporation Ltd. to lend and/or make investments or to give guarantee to the bankers of Sea-king Club Pvt. Ltd., its wholly owned subsidiary Company, in one or more tranches, upto Rs. 100 (Rupees One hundred) crores.

Loan of Rs. 85,63,142 was given by the Company to Sea-King Club Pvt. Ltd. as on 31.03.2011.

Loan of Rs. 6,62,97,542 was taken from State Bank Of India by Sea-King Club Private Ltd., subsidiary company, guaranteed by Prime Property Development Corporation Ltd. and Shri. Padamshi Soni, Shri. Manish Soni, Shri. Vishal Soni.

There are no other materially significant related party transactions, which have the potential to conflict with the interest of the company at large.

The Company has complied with all the requirements of the Listing Agreement with the Bombay Stock Exchange (BSE) as well as the regulations and guidelines of SEBI. No penalties were imposed or strictures passed against your Company by SEBI, Stock Exchange or any other statutory body on any matter relating to capital markets during last 3 years.

10. CODE OF CONDUCT :

The Company has formulated and implemented a Code of Conduct for all Board Members and Senior Management of the Company which is in compliance with clause 49(I)(D) of Listing Agreement.

11. MEANS OF COMMUNICATION :

The quarterly, half-yearly and yearly financial results of the Company are sent to the Bombay Stock Exchange immediately after they are approved by the Board and these are published in the leading newspapers.

Management Discussion & Analysis Report for the year ended March 31, 2011 forms a part of this Annual Report and is given under the section so captioned.

Company has created a website addressed as www.ppdcl.com

12. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. The number has to be quoted in each transaction relating to the dematerialized equity shares of the Company. The Company's ISIN is INE233CO1023.

13. SECRETARIAL AUDIT REPORT REGARDING RECONCILIATION OF CAPITAL :

As required by regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, a quarterly audit is conducted by a Practicing Company Secretary, reconciling the Issued and Listed Share Capital of the Company with the aggregate of the shares held by the investors in physical form and in demat form in CDSL and NSDL and said certificates are submitted to the Stock Exchange within the prescribed time limit.

As on March 31, 2011, there was no difference between the Issued capital and the aggregate of shares held by the investors in both physical form and in electronic form with depositories.

**14. GENERAL SHAREHOLDER INFORMATION :****a) Annual General Meeting**

Day, Date and Time : Friday, September 30, 2011
at 11.30 a.m.

Venue : Santokba Sanskar Sadan,
Next to Bhaidas Maganlal Sabhagriha,
Bhaktivedant Swami Marg,
Vile Parle (W), Mumbai -400 056.

b) Financial Calender :

Results for quarter ending June, 2011	On 30 th July, 2011
Results for quarter ending Sept., 2011	Last week of October, 2011
Results for quarter ending Dec., 2011	Last week of January, 2012
Results for Year ended March, 2012	Last week of April, 2012

c) Date of Book Closure : September 26, 2011 to September 30, 2011 (both days inclusive)

d) Dividend : After approved by the shareholders in the Annual General Meeting, within the specified time.

e) Listing on Stock Exchange : Shares of the Company are listed on Bombay Stock Exchange Limited.

f) Stock Codes/ Symbol (for shares) :

The Stock Exchange Code, Mumbai : 530695

Bombay Stock Exchange of India Ltd : PRIMEPROP

Demat ISIN Number in NSDL & CDSL : INE233C01023

g) Market Price Data of the Company and comparison with BSE Sensex

Month	Prime Property Development Corporation Ltd.		Sensex	
	High Price	Low Price	High	Low
Apr-10	66.95	52.80	18,047.86	17,276.80
May-10	55.80	38.40	17,536.86	15,960.15
Jun-10	53.30	35.05	17,919.62	16,318.39
Jul-10	42.00	34.85	18,237.56	17,395.58
Aug-10	44.00	30.55	18,475.27	17,819.99
Sep-10	44.50	36.80	20,267.98	18,027.12
Oct-10	42.00	36.00	20,854.55	19,768.96
Nov-10	42.00	28.50	21,108.64	18,954.82
Dec-10	37.50	29.95	20,552.03	19,074.57
Jan-11	31.95	27.50	20,664.80	18,038.48
Feb-11	28.25	20.10	18,690.97	17,295.62
Mar-11	26.90	21.25	19,575.16	17,792.17

**h) Registrar and Transfer Agents :**M/s **LINK INTIME INDIA PVT. LIMITED**

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup (W), Mumbai 400 078

Tel: 25963838 Fax: 25962691.

website: www.linkintime.co.in**i) Share Transfer System :**

The Company's shares are traded on Bombay Stock Exchange mandatorily in demat mode. Physical Shares which are lodged with the Registrar and Transfer Agents / or with the Company for transfer are processed and returned to the Shareholders duly transferred within the time limit stipulated under the Listing Agreement subject to the documents being in order.

Unclaimed shares: There are unclaimed shares lying with the Company .

Shareholders are requested to claim their shares. Letter to the shareholders whose shares are lying with us are being separately sent.

j) Distribution of Shareholding as on March 31, 2011 :

No. of Equity Shares Held		Shareholders		No. of Shares	
		No.	% of Total	No. of Shares Held	% of Total
UPTO	500	2943	76.9211	469985	2.3499
501	- 1000	399	10.4286	330374	1.6519
1001	- 2000	225	5.8808	343545	1.7177
2001	- 3000	67	1.7512	169226	0.8461
3001	- 4000	47	1.2284	167317	0.8366
4001	- 5000	31	0.8102	149584	0.7479
5001	- 10000	50	1.3068	360510	1.8205
10001	- And Above	64	1.6728	18009459	90.0473
TOTAL		3826	100.00	20000000	100.00

k. Share Holding Pattern as on March 31, 2011 :

Category	No. of Shares	% of Shareholding
a. Promoter's holding	12129347	60.64%
b. FIIs	165000	0.82%
c. Corporate Bodies	2808046	14.04%
d. Public (In India)	4769713	23.84%
e. NRIs / OCBs	83836	0.41%
f. Clearing Member	43383	0.21%
g. Any Other (Trust)	675	0.003%
GRAND TOTAL...	20,000,000	100.00%

l. Dematerialization of shares :

89.64% of the Company's paid up equity share capital has been dematerialized up to March 31, 2011. Trading in the equity shares of the Company at Bombay Stock Exchange is permitted only in dematerialized form.

The details of dematerialized shares as on March 31, 2011 are as under:

Depository	No. Of Shareholders	No. Of Shares	% Of Capital
NSDL	2179	15558415	77.79%
CDSL	1386	2370741	11.85%
TOTAL	3565	17929156	89.64%

Request for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days. Shares of the Company are regularly traded on BSE.

**15. Address for Correspondence :**

All Correspondence relating to the shares of the Company should be forwarded to the below mentioned address:

Link Intime India Private Limited

Unit: Prime Property Development Corporation Limited

C-13, Pannalal Silk Mills Compound, L. B. S. Marg,

Bhandup (W), Mumbai – 400 078

Tel: 25963838 Fax: 25962691.

Email: mumbai@linkintime.co.in

16. Green Initiative :

The Ministry of Corporate affairs has taken "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of Notice /documents including Annual Report can be sent by email to its members .To Support this Green initiative of the Government in full measure, members who have not registered their e-mail, so far ,are requested to register their email addresses in respect of their holdings with the depository through their concerned Depository Participants. Members who hold share in physical form are requested to contact Ms Zarana Jhaveri, Compliance officer, on compliance_officer@ppdcl.com or at the Registered office of the Company or Link Intime India Pvt. Ltd.

For and On behalf of the Board of Directors

Place : Mumbai

Date : July 30, 2011

P. L. Soni

Chairman

CEO/CFO CERTIFICATE

In terms of the requirement of Clause 49 of the Listing Agreement with the Stock Exchange, the certificates from CEO/ CFO have been obtained.

For and On behalf of the Board of Directors

Place : Mumbai

Date : July 30, 2011

P. L. Soni

Chairman

Declaration of Code of Conduct

As per clause 49(I)(D) all the Board Members and Senior Management personnel have affirmed compliance with the code.

For and On behalf of the Board of Directors

Place : Mumbai

Date : July 30, 2011

Alok Chowdhury

CEO and Whole-time director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of,

PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED.

We have examined the compliance of conditions of Corporate Governance by Prime Property Development Corporation Limited (the Company), for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned 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 VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Reg. No.: 111612W)**

MAYUR A. VORA

PARTNER

(Membership No. 30097)

Place : Mumbai

Date : July 30, 2011



AUDITORS' REPORT

To,

The Members Of

PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

1. We have audited the attached Balance Sheet of PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 as amended by the Companies issued by the Central Government in terms of sub-Section (4A) of 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - i. we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii. in our opinion, proper books of account, as required by law have been kept by the Company, so far as appears from our examination of those books of accounts;
 - iii. the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the company;
 - iv. in our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. based on the representations made by the Directors and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at March 31, 2011, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 and
 - vi. Without qualifying our report, we draw your attention to the following Notes to Accounts :
 - ix. No depreciation is charged on the property located at Vile Parle (W) being Capital Work in Progress and the Company has incurred additional development expenditure on the said property.
 - xi. Gratuity payment is accounted on cash basis. Hence, no provision is made for the same

Subject to above;

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 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 March 31, 2011 and
- (b) In the case of the Profit and Loss Account, of the LOSS, of the company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of cash flows for the year ended on that date.

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
 (ICAI Firm Reg. No.: 111612W)
MAYUR A. VORA
PARTNER
 (Membership No.30097)

Place: Mumbai

Dated : July 30, 2011



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on accounts of

Prime Property Development Corporation Limited for the year ended 31st March 2011.)

1. In respect of its Fixed Assets :
 - (a) The company has generally maintained records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, according to the practice generally followed, the fixed assets of the Company are physically verified by the management at reasonable intervals, in a proper manner, which in our opinion is reasonable looking to the size of the Company and nature of its business. According to the information and explanation given to us, no discrepancies have been noticed on physical verification;
 - (c) The Company has not disposed off any of its fixed assets so as to affect its going concern status;
2. In respect of Inventories:
 - (a) As explained to us, the Management as at the end of the financial year or after the year-end has physically verified the stocks of inventory in the Company's custody.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of the stocks as 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 is generally maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material having regard to the size of the operations of the Company. And have been dealt with in the books of accounts at appropriate prevailing value.
3. In respect of the loans, Secured or Unsecured, granted or taken by the Company to/from the companies, firms or other parties covered under register maintained u/s 301 of The Companies Act, 1956
 - (a) The Company has not granted any secured or unsecured loans to companies, firms and other parties as covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4 (iii) (b) (c) and (d) of the Order are not applicable.
 - (e) The Company has taken unsecured loan from 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year is Rs. 18,65,04,595/- & year-end balance is Rs. 6,86,05,000 /-.
 - (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions as stipulated on which the Company has taken the loan from party required to be listed in the register maintained under section 301 and section 370 (1B) of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.
 - (g) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest as stipulated to the party listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of inventories, fixed assets and for sale of goods. Further on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct weaknesses in the aforesaid internal control systems.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) In our opinion, the transactions in which directors were interested and which were required to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and having regard to our comments in paragraph (3) above, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- 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 where such market prices are prima-facie made available.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year, within the meaning of Section 58A and Section 58AA of the Companies Act 1956 and the rules framed there under. Therefore the provision of clause 4 (vi) of the Order are not applicable to the company.
7. In our opinion and according to the information and explanations given to us, the Company has no formal internal audit



department as such, but its internal control procedures generally ensure reasonable internal check of its financial and other records commensurate with the size of the Company and the nature of its business.

8. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956, in respect of activities carried on by the Company. Therefore the provision of clause 4 (viii) of the Order are not applicable to the company.
9. According to the information and explanation given to us, in respect to statutory dues:
 - (a) The company is generally regular in depositing with the appropriate authorities in India the undisputed statutory dues under Income tax Act, Wealth Tax, Value Added Tax, Service Tax, Duties and other material statutory dues as applicable to it.
 - (b) At the end of the financial year, there were no undisputed amounts payable in respect of Income tax, Wealth Tax, Value Added Tax, Service Tax and other statutory dues as applicable, for a period of more than six months from the date they become payable.
10. The Company does not have accumulated losses. But during the year, the Company has made net loss of Rs. 3,10,44,859/-. However, it has incurred a cash loss of Rs. 2,55,60,023/- during the financial year covered by our audit. No cash loss has been incurred during the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of its dues to any bank or financial institution during the year under review.
12. In our opinion and according to the information and explanation 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.
13. In our opinion and according to the information and explanation given to us, the Company is not a chit fund or a nidhi/mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer in or trader in shares, securities, debentures and other investments. However, the Company has invested surplus funds in marketable securities and are held in its own name. The Company has maintained proper records of the transactions and Contracts and timely entries have been made therein.
15. In our opinion and according to the information and explanations given to us, the Company has given corporate guarantee to the bankers on behalf of the Wholly Owned Subsidiary Company Sea-King Club Private Ltd in respect of credit facilities availed aggregating to Rs. 50 crores.
16. In our opinion and according to the information and explanations given to us, the funds raised co-relating to the end use of term loans has been, prima facie, applied for the intended purpose for which they were obtained.
17. In our opinion and 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-term basis have been used for long-term investment.
18. According to the information and explanations given to us, during the year covered by our audit report 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.
19. During the year covered by our audit report, the Company has not raised any money by way of debenture issue. Therefore, the provisions of clause 4 (xix) of the order is not applicable to the Company.
20. During the year covered by our audit report, the Company has not raised any money by way of public issues.
21. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
 (ICAI Firm Reg. No.: 111612W)

MAYUR A. VORA
PARTNER
 (Membership No.30097)

Place: Mumbai
Dated: July 30, 2011

**BALANCE SHEET AS AT 31ST MARCH 2011**

PARTICULARS	HCS		As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
SOURCES OF FUNDS				
Shareholders funds :				
Share Capital	A		100,000,000	100,000,000
Reserves & Surplus	B		568,261,435	611,005,795
Loan Funds :				
Secured loans	C		340,460,812	7,804,894
Unsecured loans	D		68,605,000	161,504,595
Deferred Tax Liability (Net)	E		16,845,315	31,900,846
TOTAL			1,094,172,562	912,216,130
APPLICATION OF FUNDS :				
Fixed Assets :				
Gross Block	F		55,364,239	55,364,239
Less : Depreciation			22,744,237	17,259,401
Net Block			32,620,002	38,104,838
Capital Work in Progress			123,786,117	93,639,865
			156,406,119	131,744,703
Investments	G		315,031,476	320,650,285
Current Assets, Loans and Advances	H			
Inventory			662,028,228	471,957,885
Sundry Debtors			1,700,000	1,700,000
Cash & Bank Balances			3,603,325	33,674,519
Loans and Advances			68,559,127	78,403,984
Other Current Assets			4,622,197	4,648,527
			740,512,877	590,384,915
Current Liabilities & Provisions	I		117,777,910	130,563,774
Net Current Assets			622,734,967	459,821,142
TOTAL			1,094,172,562	912,216,130

As per our attached reports of even date

For VORA & ASSOCIATES

CHARTERED ACCOUNTANTS

(ICAI Firm Regn No. 111612W)

MAYUR A VORA

PARTNER

(Membership No.: 30097)

For and on behalf of the Board of Directors

PADAMSHI L. SONI

K. NALINAKSHAN

MANISH P. SONI

VISHAL P. SONI

ALOK CHOWDHURY

ZARANA JHAVERI

CHAIRMAN

DIRECTOR

WHOLETIME DIRECTOR

WHOLETIME DIRECTOR

WHOLETIME DIRECTOR

COMPANY SECRETARY

Place : Mumbai

Date : 30th July, 2011

Place : Mumbai

Date : 30th July, 2011



PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2011

PARTICULARS		As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
INCOME			
Sales & Service		–	267,500,000
Profit / (Loss) on Sale of Shares		(2,805,737)	(626,452)
Dividend Income		118,155	70,864
Interest Income		–	3,547,351
Miscellaneous & Other Income		1,680,445	675,728
TOTAL		(1,007,137)	271,167,491
EXPENDITURE			
Property Development Expenses	J	–	179,647,529
		–	179,647,529
Employees Cost	K	8,920,541	9,884,562
Establishment Expenses	L	411,222	475,669
Administrative & Other Expenses	M	13,008,635	10,404,484
Interest Expenses	N	16,541,020	6,720,000
Selling Expenses	O	1,007,142	1,966,832
Depreciation	F	5,484,836	3,499,771
TOTAL		45,373,395	212,598,846
Profit / (Loss) Before Tax		(46,380,532)	58,568,645
Provision for Taxes (current)		–	21,450,000
Provision for Wealth Tax		30,000	–
Provision for Taxes (deferred)		(15,055,531)	(380,635)
Profit / (Loss) After Tax but before Extraordinary items		(31,355,000)	37,499,280
Add / (Less) : Interest Income of Previous Year		–	1,255,564
Add / (Less) : Excess / (Short) provision for taxes for earlier years		310,141	932,503
Profit / (Loss) After Tax		(31,044,859)	39,687,347
Less : Appropriation			
Transfer to General Reserve		–	4,000,000
Proposed Dividend		10,000,000	15,000,000
Provision for Tax on Dividend		1,699,500	2,549,250
		11,699,500	21,549,250
Retained Earnings for the year		(42,744,359)	18,138,097
Balance brought forward from previous yrs		534,355,795	516,217,698
Balance carried to the Balance Sheet		491,611,435	534,355,795
Earning per share (Basic & Diluted) Annualised		(1.55)	1.98

As per our attached reports of even date
For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Regn No. 111612W)

MAYUR A VORA
PARTNER
(Membership No.: 30097)

Place : Mumbai
Date : 30th July, 2011

For and on behalf of the Board of Directors

PADAMSHI L. SONI
K. NALINAKSHAN
MANISH P. SONI
VISHAL P. SONI
ALOK CHOWDHURY
ZARANA JHAVERI

CHAIRMAN
DIRECTOR
WHOLETIME DIRECTOR
WHOLETIME DIRECTOR
WHOLETIME DIRECTOR
COMPANY SECRETARY

Place : Mumbai
Date : 30th July, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2011**

PARTICULARS	CURRENT YEAR (in Rs.)	PREVIOUS YEAR (in Rs.)
I CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary items	(46,380,532)	59,824,209
Adjustment for:		
Depreciation	5,484,836	3,499,771
Profit / Loss on Sale of Fixed Assets / Investment	2,805,737	626,452
Interest Income	–	(4,802,916)
Dividend Income	(118,155)	(70,864)
	(38,208,114)	(747,557)
Less: Income taxes paid	(38,208,114)	59,076,652
Operating Profit Before Working Capital Changes	2,787,757	28,667,109
(Increase) / Decrease in Inventories	(40,995,871)	30,409,543
(Increase)/ Decrease in Sundry Debtors	(190,070,342)	139,272,057
(Increase)/ Decrease in Loans and Advances	–	–
Increase/ (Decrease) in Sundry Creditors	(8,480,915)	131,970,328
Increase/ (Decrease) in Other Advances	14,483,886	(7,022,000)
	–	(46,100,000)
	(184,067,371)	218,120,385
Cash generated from / (Used in) operations (A)	(225,063,242)	248,529,928
II NET CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(30,146,252)	(25,885,333)
Sale of Fixed Assets	–	–
Dividend Income	118,155	70,864
Purchase / (Sale) of Investments	5,618,808	(314,182,947)
Interest Income	–	4,802,916
Profit / Loss on sale of Investment	(2,805,737)	(626,452)
Net cash used in Investing activities (B)	(27,215,026)	(335,820,952)
III CASH FLOW FROM FINANCIAL ACTIVITIES		
Secured Loans taken / (repaid)	332,655,918	(93,304,365)
Unsecured Loans taken / (repaid)	(92,899,595)	123,944,810
Dividend Paid	(15,000,000)	(30,000,000)
Tax Paid on above dividend	(2,549,250)	(5,098,500)
Net Cash generated from Financial Activities (C)	222,207,073	(4,458,055)
NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C)	(30,071,195)	(91,749,079)
Cash and Cash Equivalent (Opening Balance)	33,674,519	125,423,598
Cash and Cash Equivalent (Closing Balance)	3,603,325	33,674,519

Notes:

- 1 The Cash flow statement has been prepared under the "Indirect method" as the set out in Accounting Standard – 3 "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
- 2 Cash and Cash Equivalents includes Cash and Bank Balance.
- 3 Figures of Previous years have been regrouped and rearranged wherever necessary to conform with Current Year classification.

For VORA & ASSOCIATES**CHARTERED ACCOUNTANTS**

(ICAI Firm Regn No. 111612W)

MAYUR A. VORA

PARTNER

(Membership No.: 30097)

Mumbai

Date : 30th July, 2011

For and On behalf of Board

PADAMSHI L. SONI

K. NALINAKSHAN

MANISH P. SONI

VISHAL P. SONI

ALOK CHOWDHURY

ZARANA JHAVERI

Mumbai

Date : 30th July, 2011

CHAIRMAN

DIRECTOR

WHOLETIME DIRECTOR

WHOLETIME DIRECTOR

WHOLETIME DIRECTOR

COMPANY SECRETARY


SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C AS ON 31ST MARCH 2011

" PARTICULARS "	As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
<u>Schedule – " A " : Share Capital</u>		
Authorised: 40,000,000 Equity shares of Rs. 5 / – each	200,000,000	200,000,000
Issued subscribed and paid up: 20,000,000 Equity shares of Rs. 5/ – each fully paid – up	100,000,000	100,000,000
	100,000,000	100,000,000
<u>Schedule – " B " : Reserves & Surplus</u>		
<u>General Reserve</u>		
Balance as per last year	76,650,000	72,650,000
Add: Transfer from Profit & Loss A/c	–	4,000,000
	76,650,000	76,650,000
Balance as per Profit & Loss Account	491,611,435	534,355,795
	568,261,435	611,005,795
<u>Schedule – " C " : Secured Loans</u>		
Cash Credit Account with SBI	335,244,038	–
Vehicle Loans	5,216,774	7,804,894
	340,460,812	7,804,894
<u>Schedule – " D " : Unsecured Loans</u>		
Unsecured Loans from Directors & Relatives	68,605,000	161,504,595
	68,605,000	161,504,595
<u>Schedule – "E" : Deferred Tax Liability</u>		
Deferred Tax Liability	31,900,846	32,281,481
Deferred Tax Assets	(15,055,531)	(380,635)
	16,845,315	31,900,846



SCHEDULE " F " : FIXED ASSETS AND DEPRECIATION

PARTICULARS	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As on 1-Apr-10 Rs.	Add/(Dedn) during the Year Rs.	As on 31-Mar-2011 Rs.	As on 1-Apr-2010 Rs.	For the Period Rs.	Adjustments on Deductions Rs.	As on 31-Mar-2011 Rs.	As on 31-Mar-2011 Rs.	As on 31-Mar-2010 Rs.
(i) Premises										
(a) Land & Building at Vile Parle (W)		107,832,738	30,146,252	137,978,990	14,192,873	–	–	14,192,873	123,786,117	93,639,865
(b) Other Premises	5 %	22,204,369	–	22,204,369	2,668,636	976,787	–	3,645,423	18,558,946	19,535,733
(ii) Computers	40 %	1,702,247	–	1,702,247	1,565,680	54,560	–	1,620,240	82,007	136,567
(iii) Furnitures & Fixtures	18.1%	5,205,562	–	5,205,562	2,764,330	441,863	–	3,206,193	1,999,369	2,441,232
(iv) Motar Cars	25.89%	24,275,895	–	24,275,895	9,357,399	3,862,399	–	13,219,798	11,056,097	14,918,496
(v) Office Equipments	13.91%	1,976,166	–	1,976,166	903,355	149,228	–	1,052,583	923,583	1,072,811
Total for Current year		163,196,977	30,146,252	193,343,229	31,452,274	5,484,836	–	36,937,110	156,406,119	131,744,704
Total for Previous Year		137,311,644	25,885,333	163,196,977	27,952,502	3,499,771	–	31,452,273	131,744,704	109,359,143
Note: Capital Expenditure incurred of Rs. 3,01,46,252/- on account of Vile Parle (W) property and no deprciation is claimed being Work in Progress.										


SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C AS ON 31ST MARCH 2011

PARTICULARS	As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
<u>Schedule – " G " Investments – At Cost</u>		
<u>A. Loang Term Investments</u>		
In Equity Shares – Quted,fully paid up		
250 (Previous Year 1170)Equity Shares of Surana Industries Ltd. of Face Value Rs.10 Each	27,111	126,876
2220 (Previous Year 20808) Equity Shares of Rath Steel & Power Ltd. (Rathi Udyog) of Face Value Rs. 10 Each	437,481	4,608,360
NIL (Previous Year 8803) Equity Shares of Khaitan Chemicals & Fertilizers Ltd. of Face Value Rs. 10 Each	–	984,483
6000 (Previous Year 6000) Equity Shares of Reliance Power Ltd. of Face Value Rs. 10 Each	1,474,079	1,474,079
10821 (Previous Year – 10821) Equity Shares of Ackruti City Ltd. (Nirma) of Face Value Rs. 10 Each	6,040,899	6,040,899
30000 (Previous Year – 30000) Equity Shares of Alok Industries Ltd. of Face Value Rs. 10 Each	673,350	673,350
Nil (Previous Year – 1,500) Equity Shares of Cairn India Ltd. of Face Value Rs.10 Each	–	363,681
7909 (Previous Year – 7909) Equity Shares of Essar Oil Ltd. of Face Value Rs.10 Each	1,212,392	1,212,392
13500 (Previous Year – 13500) Equity Shares of India Cements Ltd. of Face Value Rs.10 Each	1,771,904	1,771,904
10000 (Previous Year – 10000) Equity Shares of Ispat Industries Ltd. of Face Value Rs.10 Each	251,163	251,163
5250 (Previous Year – 5250) Equity Shares of Jaiprakash Associates Ltd. of Face Value Rs. 2 Each	755,581	755,581
500 (Previous Year – 500) Equity Shares of Punj Llyod Ltd. of Face Value Rs. 2 Each	129,581	129,581
312 (Previous Year – 312) Equity Shares of Reliance Industries Ltd. of Face Value Rs. 10 Each	305,950	305,950
2000 (Previous Year – 2000) Equity Shares of Garware Offshore Services Ltd. of Face Value Rs. 10 Each	379,473	379,473
6000 (Previous Year – 6000) Equity Shares of Suzlon Energy Ltd. of Face Value Rs. 2 Each	572,513	572,513
Total Investment in Quoted Shares	14,031,476	19,650,285
In Equity Shares – of Wholly ownd Subsidiary Company – Unquoted,fully paid up		
5000, Equity Shares of Sea King Club Pvt. Ltd. Of Rs. 100 each	301,000,000	301,000,000
Total Investment in Unquoted Shares	301,000,000	301,000,000
Aggregate value of		
Quoted Investment (Market Value is Rs. 78,32,485/ – P.Y. 1,38,04,045/-)	14,031,476	19,650,285
Unquoted Investment	301,000,000	301,000,000
Total Investment in Shares	315,031,476	320,650,285

**SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C AS ON 31ST MARCH 2011**

PARTICULARS	As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
<u>Schedule – " H " : Current Assets Loans and Advances</u>		
A) Inventories		
Semi – Finished Stock of Property (Pune)	662,028,228	471,957,885
Work in Progress at Project Sites	–	–
	I 662,028,228	471,957,885
B) Sundry Debtors		
(Unsecured considered good)		
– Due for a period exceeding six months	1,700,000	1,700,000
– Others	–	–
	II 1,700,000	1,700,000
C) Cash & Bank Balances		
i. Cash on Hand	110,850	191,673
ii. Balances with Scheduled Banks	3,492,475	33,482,847
	III 3,603,325	33,674,519
D) Loans And Advances		
i. Loans and Advances		
– Unsecured considered good	65,759,127	57,251,882
– Unsecured considered doubtful	–	–
Less : Provision for Doubtful debts	–	–
ii. Prepaid Taxes	2,800,000	21,152,102
	IV 68,559,127	78,403,984
E) Other Current Assets		
Deposits & Advances	4,622,197	4,648,527
	V 4,622,197	4,648,527
(I + II + III + IV +V)	740,512,876	590,384,915
<u>Schedule – " I " : Current Liabilities & Provisions</u>		
Current Liabilities		
Sundry Creditors for Expenses	9,133,345	24,439,813
Other Liabilities	95,005,972	65,505,972
Unclaimed Dividend 2005	119,563	121,063
Unclaimed Dividend 2006	248,725	248,725
Unclaimed Dividend 2007	431,288	432,756
Unclaimed Dividend 2008	461,054	465,254
Unclaimed Dividend 2009	322,692	350,942
Unclaimed Dividend 2010	325,772	–
	106,048,410	91,564,524
Provisions		
Provision for Taxation	30,000	21,450,000
Proposed Dividend	10,000,000	15,000,000
Provision for Tax on Proposed Dividend	1,699,500	2,549,250
	117,777,910	130,563,774
<u>Schedule – " J " : Property Development Expenses</u>		
Opening Inventory	471,957,885	611,229,942
Add: Transfer / Purchase during the year	190,070,342	40,375,472
Less: Closing Inventory	(662,028,228)	(471,957,885)
Balance Debit to P & L A/c	–	179,647,529



SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS A/C AS ON 31ST MARCH 2011

PARTICULARS	As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
<u>Schedule – "K" : Personnel Expenses</u>		
Salary, Wages and Bonus	3,188,226	2,720,098
Salary to Directors	5,550,000	5,475,000
Proposed Commission to Chairman	–	1,500,000
Staff Welfare	182,315	189,464
Gratuity Paid	–	–
Placement Charges	–	–
	8,920,541	9,884,562
<u>Schedule – "L" : Establishment Expenses</u>		
Property Tax	374,988	45,000
Rent Rates & Taxes	–	30,000
Maintenance charges	36,234	400,669
	411,222	475,669
<u>Schedule – "M" : Administrative Expenses</u>		
AGM Expenses	52,691	44,552
Listing Fees & ROC Fees	17,045	18,045
Electricity Charges	615,601	565,470
Repairs & Maintenance		
Plant & Machinery	–	
Buildings	–	
Others	124,384	584,070
Motor car expenses	378,890	146,010
Membership & Subscription	87,335	94,055
Printing & Stationery	248,853	232,440
Conveyance/ Hire Charges	84,341	84,355
Postage & Courier Charges	126,851	63,944
Maintenance of Computers	53,950	37,013
Annual Demat Fees	34,978	37,432
Telephone, Fax and Internet	153,091	127,044
Security, Watch & Ward Expenses	1,204,208	659,064
Cleaning Charges	20,500	148,666
Bank Charges	2,719,403	73,444
Professional Fees	3,563,028	1,285,348
Miscellaneous Expenses	31,233	86,392
STT Charges on Shares	3,528	131,021
Books & Periodicals	2,225	8,540
Professional Tax	2,500	2,500
Legal Fees	1,406,080	1,410
Travelling Expenses	–	25,274
Provision written off	125,000	1,324,331
Auditors' Remuneration		
– Audit Fees	716,950	
– Tax Matters	165,450	
– Others	375,020	
General Expenses	87,000	–
Directors sitting fees	320,000	320,000
Donation	288,500	3,111,000
	13,008,635	10,404,484
<u>Schedule – "N" : Interest Expenses</u>		
Interest on CC	428,889	–
Interest on Car Loans	443,080	69,610
Interest on unsecured loans/others	15,669,051	6,465,992
Interest On F. D. Loan	–	184,398
	16,541,020	6,720,000
<u>Schedule – "O" : Selling Expenses</u>		
Advertisement & Publicity	118,295	161,711
Sale Promotion Expenses	862,547	893,521
Website Maintenance charges	26,300	11,600
Brokerage Expenses	–	900,000
	1,007,142	1,966,832



SCHEDULE –“P”

Significant Accounting Policies & Notes on Accounts

I. Significant Accounting Policies:

(a) **Accounting convention**

The financial statements are prepared under the historical cost convention, on an accrual & going concern basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory accounting standard and the relevant provisions of Companies Act, 1956.

(b) **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates used in the preparation of the Financial Statements are prudent and reasonable. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

(c) **Fixed Assets**

Fixed assets are valued at cost less depreciation. Cost includes all expenses incurred for acquisition of assets or any addition thereto.

(d) **Depreciation**

Depreciation is provided as per written down value method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956, unless stated otherwise.

(e) **Impairment of Assets:**

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged off when the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(f) **Investments**

Investments are valued at cost plus brokerage and other charges. Profit or Losses on investment are accounted as and when realized as Capital Gain / Loss, if any. No provision is made for diminishing in value of Investment being Long Term Investment.

(g) **Inventories**

Inventories are valued at lower of cost or net realizable value. The Construction Work in Progress includes cost of Land, Development Rights, TDR Rights, Construction Costs and Expenses directly incidental to the projects (including interest on Term Loan for respective projects) undertaken by the Company. Inventories include finished units / stock in trade / semi finished, if any, are valued at cost or estimated net realizable value (as certified by management) whichever is less.

(h) **Revenue Recognition**

Income

(i) Generally the Company is accounting sale of property / flats on completion of the projects, and / or on receipt of substantial payment and / or on agreement for sale and / or on handing over possession of the property and / or on registration of the sale agreement in favor of purchaser, whichever is earlier.

(ii) Interest Income is recognized on time proportion basis.

(iii) Dividend income is recognized when the right to receive dividend is established and / or actual receipts.

Expenses

All revenue expenses are accounted on accrual basis, except, expenses pertaining to specific projects, which are considered as paid towards work in progress until the specific project is completed.

(i) **Borrowing Cost**

Interest paid on Term Loan availed from the bank for specific projects are allocated to respective project and included into Inventory value of specific projects to give true & fair view of matching revenue & expenditure of specific projects.

Other Interests are recognized as a revenue expense in the period in which it is incurred.

(j) **Retirement Benefits**

The Company has not made any provision for Gratuity / Retirement Benefits payable to the employees. The amount in respect of Gratuity / Retirement Benefits payable in accordance with the Payment of Gratuity Act 1972 / Other Statutory provisions, if any, shall be accounted in the year of actual payment thereof.

(k) **Taxation**

Income-tax expense comprises of current tax and deferred tax charge or credit. The deferred tax charge or credit is recognized using current tax rates. Deferred tax asset is recognized only if there is sufficient evidence that future taxable income will be available.

Wealth Tax for the current period is determined on basis of estimated taxable wealth under the Act.

(l) **Provisions and Contingent Liabilities :**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amounts of the outflow.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

II. **Notes on Accounts**

i. **Secured Loans:**

a) During the year Company has availed Cash Credit facility amounting to Rs. 35 crores from State Bank of India. The cash credit facility is secured by equitable mortgage in favor of the Company's bankers & Hypothecation of receivables and stock of the Prime Business Park, Vile Parle (W) & Prime Mall, Pune property. The cash credit facility is also secured by personal guarantees of Shri. P. L. Soni, Shri. Manish P. Soni and Shri. Vishal P. Soni, Promoter Directors of the Company.

b) Vehicles loan of Rs 27.66 Lacs (Previous Year 25.88 lacs) falls due for repayment within one year.

ii. The Company has mainly one reportable business and geographical segment and hence no further disclosure is required under Accounting Standard (AS) 17 on Segment Reporting issued by the Institute of Chartered Accountants of India (ICAI).

iii. Contingent Liabilities: Corporate Guarantees given to the bankers by the Company on behalf of the Subsidiary Company Sea-King Club Private Ltd in respect of Credit facilities availed aggregating to Rs. 50 crores (Rs. 6.59 crores withdrawn during the year by Subsidiary Company)

iv. The Company has purchased a Motor Car for Rs. 1,06,09,446/- and taken a loan thereon from Kotak Mahindra Prime Limited of Rs. 80,47,400/- which is registered in the name of Director of the Company.

v. During the year Company has given an interest free loan amounting to Rs. 85,63,142/- to subsidiary company for redevelopment of its hotel building.

vi. Other Liabilities includes Rs. 5,00,00,000/- for the business expediency and are payable by the Company.



- vii. Balances appearing under the head Sundry Creditors are subject to confirmation and reconciliation.
- viii. During the year Company has written off Rs.1,25,000/- as bad debts and written back Rs. 16,67,788/- in the books which are incidental to the business of the Company.
- ix. During the year additional expenses of Rs. 3,01,46,252/- incurred on the property at Vile Parle (W) which is under the Fixed assets block and no depreciation is charged on the property being Capital Work in Progress.
- x. During the year no expenses incurred & charged against the income received from Dividend on shares.
- xi. Gratuity payment is accounted on cash basis as per policy; hence no provision is made for the same.
- xii. **Additional Information Pursuant To Section 217(1) To The Companies Act, 1956:**
The Licensed capacity, installed capacity and actual production, opening and closing stock of finished goods, Sale of finished goods and Raw and Packing Material consumed in quantity and value, Classification of Raw and Packing Materials consumed, are not relevant to the Company since it is engaged in civil construction and real estate development business.
- xiii. **Micro, Small and Medium Enterprise:**
The creditors of micro, small and medium enterprise are timely paid as per terms of contract and there are no over dues to any enterprise, hence, no provision of any interest is made.
- xiv. **Details of Managerial Remuneration:**

(In Rs.)

	2010 – 2011	2009 – 2010
Salaries to Executive Directors	5,550,000	5,475,000
Director's Sitting Fees	320,000	320,000
Commission to Chairman (Proposed)	Nil	1,500,000
Total	5,870,000	7,295,000

- xv. As no Commission is payable to Chairman, the computation of the net profits in accordance with the section 309 (5) read with section 349 of the Companies Act, 1956 of India has not been given.

xvi. **Related Parties Disclosures Under Accounting Standard 18 Of ICAI:**

(A) Particulars of Party where control exists / Relative of parties where control exists:

	Name of the Related Party	Nature of Relationship
(i)	M/s. Prime Property Developers	Proprietor Firm in which control exists
(ii)	M/s Sea-King Club Private Limited	Wholly-owned Subsidiary Company

(B) **Key Management Personnel:**

Shri. Padamshi L. Soni	Chairman
Shri. Manish P. Soni	Whole Time Director
Shri. Vishal P. Soni	Whole Time Director
Shri. Alok A. Chowdhury	Whole Time Director & CEO

(C) Transactions with Party where control exists / Relative of parties where control exists

Particulars	Party where control exists 31.3.2011 Rs.	Party where control exists 31.3.2010 Rs.
(i) Loans taken during the year (Balance at year end)	68,605,000	161,504,595
(ii) Due to related parties (Balance at year end)	NIL	NIL
(iii) Sales	NIL	NIL
(iv) Interest Expenses	15,669,051	42,15,992
	Relative of party where control exists	Relative of party where control exists
(v) Sales	NIL	800,000
(vi) Interest Expenses	NIL	NIL
(vii) Payments made on behalf of Subsidiary company and recovered from Subsidiary (Balance at the year-end)	Payment made and balance at the year – end Rs. 8,563,142/-	Payments made Rs.718,143/- Amount Recovered Rs.718,143/-

(D) Details of transactions relating to Key Management Personnel:

Particulars	31.3.2011	31.3.2010
	Value of Transaction Rs.	Value of Transaction Rs.
(i) Remuneration to Whole Time Directors	5,550,000	5,475,000
(ii) Commission proposed to Chairman	Nil	1,500,000

**xvii. Foreign Exchange Earnings & Outgo:**

There is no expenditure / earnings in foreign exchange for the current year (Previous year Rs. NIL)

xviii. Requirements of Section 217 (2A) of the Companies Act, 1956

The Company has no employee in receipt of remuneration exceeding the limits prescribed u/s 217 (2A) of the Companies Act, 1956.

xix. Deferred Tax Liability / Assets:

In accordance with Accounting Standard 22, relating to "Accounting on Taxes on Income", the deferred tax asset of Rs. 1,50,55,531/- for the current year has been shown as income for the Current year. The component of deferred tax liability and assets is as under:

(In Rs)

	Opening on 01.04.2010	Provision For the year	Closing on 31.3.2011
Deferred Tax (Liability) / Assets:			
Difference of depreciation due to rate difference	(32,007,312)	1,523,213	(30,484,099)
Carried forward Short term Loss	106,466	(18,927)	87,539
Business Loss	Nil	13,551,245	13,551,245
Total	(31,900,846)	15,055,531	(16,845,315)

xx. Earnings Per Share under Accounting Standard 20 Of ICAI:

Particulars	2010 – 2011 Rs.	2009 – 2010 Rs.
Net Profit / (Loss) After Tax	(3,1044,859)	39,687,347
Net Profit / (Loss) After Tax Before Extraordinary Items	(31,355,000)	37,499,280
Number of Equity Shares (Nominal Value of Rs. 5/-each)	20,000,000	20,000,000
Weighted Earnings Per Share on NPAT	(1.55)	1.98
Weighted Earnings Per Share on NPAT before Extraordinary items	(1.57)	1.87

xxi. Previous years figures are regrouped / recast wherever necessary.

As Per our attached report of even date

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Regn. No. 111612W)

MAYUR A. VORA
PARTNER
(Membership No. 30097)

PLACE: MUMBAI
DATE: 30th July, 2011

Signatures to Schedules 'A' to 'O'

For and On behalf of the Board of Directors

P L. SONI
K. NALINAKSHAN
MANISH P. SONI
VISHAL P. SONI
ALOK CHOWDHURY
ZARANA JHAVERI

CHAIRMAN
DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
WHOLE TIME DIRECTOR
COMPANY SECRETARY

PLACE: MUMBAI
DATE: 30th July, 2011



STATEMENT PURSUANT TO PART IV, SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

1. REGISTRATION DETAILS				State Code	1 1
Registration No.	7 0 1 2 1				
Balance Sheet Date	3 1	0 3	11		
	Date	Month	Year		
2. CAPITAL RAISED DURING THE YEAR (Amount in Rupees)					
Public Issue			N I L	Bonus Issue	N I L
Rights Issue			N I L	Private Placement	N I L
3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rupees)					
Total Liabilities and Shareholders Funds					1,094,172,562
Total Assets					1,094,172,562
Sources of funds :					
Paid-up Capital					100,000,000
Reserves & Surplus					568,261,435
Secured Loans					340,460,812
Unsecured Loans					68,605,000
Deferred Tax Liability (Net)					16,845,315
					1,094,172,562
Application of Funds :					
Net Fixed Assets					156,406,119
Investments					315,031,476
Net Current Assets					622,734,967
					1,094,172,562
4. PERFORMANCE OF THE COMPANY (Amount in Rupees)					
Total Income					(1,007,137)
Total expenditure					45,373,395
Profit / (Loss) Before Tax					(46,380,532)
Profit / (Loss) After Tax					(31,044,859)
Earning Per Share Rs. 5/- each.					(1.55)
Dividend Rate %					10

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(as per monetary terms)

Product Description

Property Development

Item Code No.

NOT APPLICABLE

For and on behalf of Board of Directors

PADAMSHI L. SONI
K. NALINAKSHAN
MANISH P. SONI
VISHAL P. SONI
ALOK CHOWDHURY
ZARANA JHAVERI

CHAIRMAN
DIRECTOR
WHOLETIME DIRECTOR
WHOLETIME DIRECTOR
WHOLETIME DIRECTOR
COMPANY SECRETARY

Place : Mumbai

Date : 30th July, 2011



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY AS OF 31 MARCH 2011

1	Name of the Subsidiary Company (Incorporated in State of Maharashtra)	Sea-King Club Private Limited
2	Financial Period of the Subsidiary ended on	31/03/2011
3	No of Shares held at the end of the financial year of the Subsidiary	5000 Shares
4	Extent of Holding	100%
5	Equity Share Capital	500000
6	Reserves (Include Revaluation reserves of Rs.26,98,64,024)	273,854,035
7	Total Assets	352,363,186
8	Total Liabilities	352,363,186
9	Investments (at Costs)	5,500
10	Gross Revenue	Nil
11	Net Aggregate Profit / (Loss) for the Current Year (Before Taxes)	(1,690,547)
12	Provision for Taxation (Including Deferred Taxes)	506,928
13	Profit / (Loss) After Tax	(1,183,619)
14	Short /Excess Provision for tax for earlier year	–
15	Profit after adjusting extraordinary items	(1,183,619)
16	Proposed Dividend (Including Dividend Tax)	–



CONSOLIDATED AUDITOR'S REPORT

The Board of Directors

PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

We have audited the attached Consolidated Balance Sheet of PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED (the "Company") and its subsidiaries; hereinafter referred to as the "Group" as at 31st March 2011, and also the consolidated Profit and Loss Account and the consolidated Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 34,92,14,719/- as at 31st March 2011, the total revenue of Rs. NIL/- and net cash flows amounting to Rs. (9,48,575/-) for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the Company's management and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the Subsidiary Company, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached 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 31st March 2011;
- (b) in the case of the Consolidated Profit and Loss account, of the LOSS for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For VORA & ASSOCIATES

CHARTERED ACCOUNTANTS

(ICAI Firm Reg. No.: 111612W)

MAYUR A. VORA

PARTNER

(Membership No.: 30097)

Place: Mumbai

Date: July 30, 2011

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As At 31/03/2011 Rs.	As At 31/03/2010 Rs.
Shareholders' Funds :			
Share Capital	" A "	100,000,000	100,000,000
Reserves & Surplus	" B "	565,068,273	610,671,498
Loan Funds :			
Secured loans	" C "	406,758,354	7,804,894
Unsecured loans	" D "	68,605,000	161,504,595
Deferred Tax Liability (Net)	" E "	16,845,315	31,900,846
TOTAL		1,157,276,942	911,881,834
Fixed Assets :	" F "		
Gross Block		468,722,241	438,575,989
Less : Depreciation		40,368,926	32,809,223
Net Block		428,353,315	405,766,766
Capital Work in Progress		74,627,211	—
Good will on Consolidation		23,452,803	23,452,803
Investments	" G "	14,036,976	19,655,785
Current Assets, Loans and Advances	" H "		
Inventory		662,028,228	471,957,885
Sundry Debtors		1,700,000	1,700,000
Cash & Bank Balances		4,369,644	35,389,415
Loans and Advances		64,163,233	82,647,137
Other Current Assets		4,910,991	4,937,321
		737,172,095	596,631,759
Current Liabilities & Provisions	" I "	120,926,377	133,679,266
Net Current Assets		616,245,718	462,952,492
Deferred tax assets	" J "	560,917	53,989
TOTAL		1,157,276,942	911,881,834

Significant Accounting Policies & Notes on Accounts

" V "

As per our attached reports of even date
For VORA & ASSOCIATES

For and on behalf of the Board of Directors

CHARTERED ACCOUNTANTS
(ICAI Firm Regn No. 111612W)

PADAMSHI L. SONI
K. NALINAKSHAN
MANISH P. SONI
VISHAL P. SONI
ALOK CHOWDHURY
ZARANA JHAVERI

CHAIRMAN
DIRECTOR
WHOLETIME DIRECTOR
WHOLETIME DIRECTOR
WHOLETIME DIRECTOR
COMPANY SECRETARY

MAYUR A VORA
PARTNER
(Membership No.: 30097)

Place : Mumbai
Date : 30th July, 2011

Place : Mumbai
Date : 30th July, 2011



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	(Rs.) Mar-11	(Rs.) Mar-10
INCOME			
Revenue from property development Business	" K "	–	267,500,000
Revenue from Hotel Business	" L "	–	13,655,031
Other Income	" M "	(1,007,137)	3,855,417
		(1,007,137)	285,010,448
EXPENDITURE			
Property Development Expenses	" N "	–	179,647,529
Food and beverages Consumed	" O "	–	2,550,534
Employees Cost	" P "	8,920,541	13,299,154
Hotel Operating Expenses	" Q "	151,891	965,096
Establishment Expenses	" R "	411,222	475,669
Administrative & Other Expenses	" S "	14,147,672	16,920,830
Interest Expenses	" T "	16,541,020	6,720,000
Selling Expenses	" U "	1,007,142	2,579,635
Depreciation	" F "	5,884,455	3,997,422
		47,063,943	227,155,868
Profit / (Loss) Before Tax		(48,071,079)	57,854,580
Provision for Taxes (current)		–	21,450,000
Provision for Wealth Taxes (current)		30,000	–
Provision for Taxes (deferred)		15,562,460	601,281
"Profit / (Loss) After Tax before adjustment for pre aquisition profit/loss of Subsidiary"		(32,538,620)	37,005,861
Add: Pre acquisition loss of Subsidiary before adjusting extraordinary items		–	159,124
"Profit / (Loss) After Tax after adjustment for pre aquisition profit/loss of Subsidiary " but before adjusting extraordinary items		(32,538,620)	37,164,984
Extraordinary items			
Add : Interest Income of Previous Year		–	1,255,564
Less: Short provision for taxes for earlier years (deferred tax Liabilities)		–	(166,657)
Add: Excess provision for Income Tax for earlier years		310,141	776,836
"Profit / (Loss) After Tax (before adjustment for Minority Interest & Pre aquisition "		(32,228,479)	39,030,727
Profit (Loss) of subsidiary due to extraordinary items)			
Add: PreAcquisition loss of Subsidiary due to extraordinary items		–	322,323
Add; Share of (Profit) / Loss Transferred to Minority Interest		–	–
"Profit / (Loss) After Tax (after adjustment for Minority Interest & Pre aquisition profit)"		(32,228,479)	39,353,050
Appropriation			
Transfer to General Reserve		–	4,000,000
Proposed Dividend		10,000,000	15,000,000
Provision for Tax on Dividend		1,699,500	2,549,250
		–	21,549,250
Retained Earnings for the year		(32,228,479)	17,803,800
Balance brought forward from previous yrs		534,021,498	516,217,698
Balance carried to the Balance Sheet		501,793,019	534,021,498
Earning per share (Basic & Diluted) Annualised		(1.63)	1.86
		(1.61)	1.97

Significant Accounting Policies & Notes on Accounts

As per our attached reports of even date

" V "

For and on behalf of the Board of Directors

For VORA & ASSOCIATES

CHARTERED ACCOUNTANTS

(ICAI Firm Regn No. 111612W)

MAYUR A VORA

PARTNER

(Membership No.: 30097)

Place : Mumbai

Date: 30th July, 2011

PADAMSHI L. SONI

K. NALINAKSHAN

MANISH P. SONI

VISHAL P. SONI

ALOK CHOWDHURY

ZARANA JHAVERI

CHAIRMAN

DIRECTOR

WHOLETIME DIRECTOR

WHOLETIME DIRECTOR

WHOLETIME DIRECTOR

COMPANY SECRETARY

Place : Mumbai

Date: 30th July, 2011

**CONSOLIDATED CASH FLOW STATEMENT AS AT MARCH 31, 2011**

PARTICULARS	Current Year (in Rs.)	Previous Year (in Rs.)
I CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary items	(48,071,079)	57,854,580
Adjustment for:		
Prior Period Adjustments	–	1,255,564
Depreciation	5,884,455	3,997,422
Profit on Sale of Fixed Assets / Investment	2,805,737	626,452
Interest Income	–	(4,990,841)
Dividend Income	(118,155)	(70,864)
	8,572,037	817,732
Less: Income taxes paid	(39,499,042)	58,672,312
	2,787,757	28,858,794
Operating Profit / (Loss) Before Working Capital Changes	(42,286,799)	29,813,518
(Increase) / Decrease in Inventories	(190,070,342)	139,457,683
(Increase)/ Decrease in Sundry Debtors	–	686,177
(Increase)/ Decrease in Loans and Advances	158,132	132,046,292
Increase/ (Decrease) in Sundry Creditors	14,516,861	(8,579,845)
Increase/ (Decrease) in Other Advances	–	(46,100,000)
	(175,395,349)	217,510,307
Cash generated from / (Used in) operations (A)	(217,682,148)	247,323,825
II NET CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(104,773,463)	(25,925,402)
Dividend Income	118,155	70,864
Purchase / (Sale) of Investments	5,618,808	(314,182,947)
Interest Income	–	4,990,841
Profit on sale of Investment	(2,805,737)	(626,452)
Net cash used in Investing activities (B)	(101,842,237)	(335,673,095)
III CASH FLOW FROM FINANCIAL ACTIVITIES		
Secured Loans Taken/(Repaid)	398,953,460	(93,304,365)
Unsecured Loans taken/(Repaid)	(92,899,595)	123,437,299
Dividend Paid	(15,000,000)	(30,000,000)
Tax Paid on above Dividend	(2,549,250)	(5,098,500)
Net cash generated from Financial Activities (C)	288,504,615	(4,965,566)
NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C)	(31,019,770)	(93,314,837)
Cash and Cash Equivalent (Opening Balance)	35,389,414	128,704,251
Cash and Cash Equivalent (Closing Balance)	4,369,644	35,389,414

Notes:

- 1 The Cash flow statement has been prepared under the "Indirect method" as the set out in Accounting Standard – 3 "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
- 2 Cash and Cash Equivalents includes Cash and Bank Balance.
- 3 Figures of Previous years have been regrouped and rearranged wherever necessary to confirm with Current Years classification.

For and on behalf of the Board of Directors

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Regn No. 111612W)

MAYUR A VORA
PARTNER
(Membership No.: 30097)

Place : Mumbai
Date: 30th July, 2011

PADAMSHI L. SONI	CHAIRMAN
K. NALINAKSHAN	DIRECTOR
MANISH P. SONI	WHOLETIME DIRECTOR
VISHAL P. SONI	WHOLETIME DIRECTOR
ALOK CHOWDHURY	WHOLETIME DIRECTOR
ZARANA JHAVERI	COMPANY SECRETARY
	Place : Mumbai
	Date: 30th July, 2011



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Amount in Rs. As At 31st March 2011	Amount in Rs. As at 31st March, 2010
Schedule – " A " : Share Capital		
Authorised:		
40,000,000 Equity shares of Rs. 5 / – each	200,000,000	200,000,000
Issued subscribed and paid up:		
20,000,000 Equity shares of Rs. 5/ – each fully paid – up	100,000,000	100,000,000
Schedule – " B " : Reserves & Surplus		
General Reserve		
Balance as per last year	76,650,000	72,650,000
Add: Transfer from Profit & Loss A/c	–	4,000,000
	76,650,000	76,650,000
Balance as per Profit & Loss Account	490,093,520	534,021,498
Less: Depreciation against Revaluation Reserve (See Note No. 4)	1,675,247	
	488,418,273	534,021,498
	565,068,273	610,671,498
Schedule – " C " : Secured Loans		
Term Loan From Bank	66,297,542	–
Cash Credit Account with SBI	335,244,038	–
Vehicle Loans	5,216,774	7,804,894
	406,758,354	7,804,894
Schedule – " D " : Unsecured Loans		
Unsecured Loans from Directors & Relatives	68,605,000	161,504,595
	68,605,000	161,504,595
Schedule – "E" : Deferred Tax Liability		
Deferred Tax Liability	31,900,846	32,007,312
Deferred Tax Assets	(15,055,531)	(106,466)
	16,845,315	31,900,846



SCHEDULE " F " : FIXED ASSETS AND DEPRECIATION

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Rate	As on	Add/(Dedn)	Revaluation	As on	As on	For the	As on	As on
		1-Apr-10	during the	of Assets	31-Mar-2011	1-Apr-2010	Period	31-Mar-2011	31-Mar-2010
		Rs.	Year	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Building									
(a) Land & Building at Vile Parle (W)	5 %	107,832,738	30,146,252		137,978,990	14,192,873	-	14,192,873	93,639,865
(b) Other Premises	40 %	294,912,445			294,912,445	3,543,217	2,667,132	6,210,349	291,369,228
Computers	18.1 %	1,803,633			1,803,633	1,606,234	78,893	1,685,127	197,399
Furnitures & Fixtures	18.1 %	5,205,562			5,205,562	2,764,330	441,863	3,206,193	2,441,232
Furnitures & Fixtures	25.89%	280,164			280,164	72,507	53,763	126,270	207,657
Motar Cars & Vehicales	25.89%	24,713,720			24,713,720	9,470,752	3,946,405	13,417,157	15,242,968
Office Equipments & Other Equipments	13.91%	3,822,417			3,822,417	1,157,936	370,628	1,528,564	2,664,481
Water Cooler	25.88%	2,482			2,482	642	476	1,118	1,840
Water Filter Plant Pool	25.88%	2,828			2,828	732	543	1,275	2,096
Total for Current Year		438,575,989	30,146,252		468,722,241	32,809,223	7,559,703	40,368,926	405,766,766
Total for Previous Year		140,252,016	25,925,402	272,398,571	438,575,989	27,952,502	4,856,721	32,809,223	405,766,766
Capital Work in Progress		-	74,627,211		74,627,211	-	-	-	-

Note: Addition to Land & Building at Vile Parle (W) pertains to capital expenditure and no Depreciation is claim being Work in Progress.



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Amount in Rs. As At 31st March 2011	Amount in Rs. As at 31st March, 2010
Schedule – “ G ” Investments – At Cost		
250 (Previous Year 1170) Equity Shares of Surana Industries Ltd. of Face Value Rs.10 Each	27,111	126,876
2220 (Previous Year 20808) Equity Shares of Rathi Steel & Power Ltd. (Rathi Udyog) of Face Value Rs. 10 Each	437,481	4,608,360
NIL (Previous Year 8803) Equity Shares of Khaitan Chemicals & Fertilizers Ltd. of Face Value Rs. 10 Each	–	984,483
6000 (Previous Year 6000) Equity Shares of Reliance Power Ltd. of Face Value Rs. 10 Each	1,474,079	1,474,079
10821 (Previous Year – 10821) Equity Shares of Ackruti City Ltd. (Nirma) of Face Value Rs. 10 Each	6,040,899	6,040,899
30000 (Previous Year – 30000) Equity Shares of Alok Industries Ltd. of Face Value Rs. 10 Each	673,350	673,350
Nil (Previous Year – 1,500) Equity Shares of Cairn India Ltd. of Face Value Rs.10 Each	–	363,681
7909 (Previous Year – 7909) Equity Shares of Essar Oil Ltd. of Face Value Rs.10 Each	1,212,392	1,212,392
13500 (Previous Year – 13500) Equity Shares of India Cements Ltd. of Face Value Rs.10 Each	1,771,904	1,771,904
10000 (Previous Year – 10000) Equity Shares of Ispat Industries Ltd. of Face Value Rs.10 Each	251,163	251,163
5250 (Previous Year – 5250) Equity Shares of Jaiprakash Associates Ltd. of Face Value Rs. 2 Each	755,581	755,581
500 (Previous Year – 500) Equity Shares of Punj Llyod Ltd. of Face Value Rs. 2 Each	129,581	129,581
312 (Previous Year – 312) Equity Shares of Reliance Industries Ltd. of Face Value Rs. 10 Each	305,950	305,950
2000 (Previous Year – 2000) Equity Shares of Garware Offshore Services Ltd. of Face Value Rs. 10 Each	379,473	379,473
6000 (Previous Year – 6000) Equity Shares of Suzlon Energy Ltd. of Face Value Rs. 2 Each	572,513	572,513
Total Investment in Quoted Shares	14,031,476	19,650,285
National Savings Certificates	5,500	5,500
Aggregate value of Quoted Investment (Market Value is Rs. 78,32,485/-P.Y. 1,38,04,045/-) Unquoted Investment	14,031,476 5,500	19,650,285 5,500
	14,036,976	19,655,785



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Amount in Rs. As At 31st March 2011	Amount in Rs. As at 31st March, 2010
Schedule – “ H ” : Current Assets Loans and Advances		
A) Inventories		
For property Development Business		
Semi – Finished Stock of Property (Pune)	662,028,228	471,957,885
	662,028,228	471,957,885
B) Sundry Debtors		
(Unsecured considered good)		
– Due for a period exceeding six months	1,700,000	1,700,000
– Others		–
	1,700,000	1,700,000
C) Cash & Bank Balances		
i. Cash on Hand	760,001	798,224
ii. Balances with Scheduled Banks	3,609,643	34,591,191
iii. Fixed Deposit with Scheduled Banks		–
	4,369,644	35,389,415
D) Loans And Advances		
i. Loans and Advances		
– Unsecured considered good	57,826,780	57,958,582
– Unsecured considered doubtful	–	–
Less : Provision for Doubtful debts	–	–
	57,826,780	57,958,582
ii. Prepaid Taxes	6,336,453	24,688,556
	64,163,233	82,647,137
E) Other Current Assets		
Deposits & Advances	4,910,991	4,937,321
	4,910,991	4,937,321
(I + II + III + IV +V)	737,172,095	596,631,759
Schedule – “ I ” : Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors for Expenses	9,197,112	24,470,605
Other Liabilities	95,005,972	65,505,972
Unclaimed Dividend 2005	119,563	121,063
Unclaimed Dividend 2006	248,725	248,725
Unclaimed Dividend 2007	431,288	432,756
Unclaimed Dividend 2008	461,054	465,254
Unclaimed Dividend 2009	322,692	350,942
Unclaimed Dividend 2010	325,772	–
	106,112,177	91,595,316
Provisions		
Provision for Taxation (P. Y)	3,084,700	3,084,700
Provision for Taxation (C.Y)	30,000	21,450,000
Proposed Dividend	10,000,000	15,000,000
Provision for Tax on Proposed Dividend	1,699,500	2,549,250
	120,926,377	133,679,266



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Amount in Rs. As At 31st March 2011	Amount in Rs. As at 31st March, 2010
Schedule – “ J ”:Deferred Tax Assets		
Deferred tax Liabilities for Fixed Assets	(119,741)	(142,627)
Deferred tax Assets for Unabsorbed Depreciation and Business losses	680,658	196,616
	560,917	53,989
Schedule – “ K ”:Revenue from Property Development Business		
Sales	–	267,500,000
	–	267,500,000
Schedule – “ L ” :Revenue from Hotel Business		
Room Receipts	–	9,286,762
Food & Beverages Sale	–	2,993,276
Swimming Pool & Other Receipts	–	1,186,975
Telephone Receipts	–	7,392
Garden Use	–	101,504
Vehicle hire charges	–	58,125
Miscellaneous Income	–	19,482
Exchange Rate Diff	–	1,514
	–	13,655,031
Schedule – “ M ” :Other Income		
Profit / (Loss) on Sale of Shares	(2,805,737)	(626,452)
Dividend Income	118,155	70,864
Interest Income	–	3,735,277
Miscellaneous & Other Income	1,680,445	675,728
	(1,007,137)	3,855,417
Schedule – “ N ” : Property Development Expenses		
Opening Inventory	471,957,885	611,229,942
Add: Transfer / Purchase during the year	190,070,342	40,375,473
Less: Closing Inventory	(662,028,228)	(471,957,885)
	–	179,647,529
Schedule – “ O ” : Food and beverages Consumed		
	–	2,550,534
	–	2,550,534
Schedule – “ P ” : Personnel Expenses		
Salary, Wages and Bonus	3,188,226	5,500,182
Salary to Directors	5,550,000	6,075,000
Proposed Commission to Chairman	–	1,500,000
Staff Welfare	182,315	223,972
	8,920,541	13,299,154



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Amount in Rs. As At 31st March 2011	Amount in Rs. As at 31st March, 2010
Schedule – “Q” : Hotel Operating Expenses		
Airport entry pass	–	25,085
Cleaning Charges	–	54,775
Crockery & Glassware	–	28,598
Electrical Expenses	–	53,769
Flowers & Decoration	–	3,995
Garden Expenses	–	12,600
Gas & Fuel	8,000	232,000
Laundry Expenses – Net	–	241,843
Light & Decoration Charges	–	70,480
Linen & Upholstery	–	38,199
Luxury Tax Dues	–	(250,728)
Monsoon Shed Fees	–	60,000
Packing Expenses	–	54,214
Soap & Phenyl	–	95,804
Toiletries	–	22,157
Uniform Expenses	–	5,000
Video Expenses	–	119,124
Water Charges	143,891	98,181
	151,891	965,096
Schedule – “ R ” : Establishment Expenses		
Rent,Rates,Taxes and Society Maintenance	–	30,000
Property Tax	374,988	45,000
Maintenance charges	36,234	400,669
	411,222	475,669
Schedule – “ S ” : Administrative Expenses		
Accounting Charges	–	150,000
Books & Periodicals	2,225	20,931
Office Expenses	–	26,246
Vat Dues	–	19,881
AGM Expenses	52,691	44,552
Listing Fees & ROC Fees	17,045	18,045
Electricity Charges	677,100	2,750,320
Repairs & Maintenance	124,384	1,358,083
Motor car expenses	378,890	146,010
Membership & Subscription	157,572	110,425
Printing & Stationery	248,853	308,068
Conveyance/ Hire Charges	84,341	188,445
Equipment Hire Charges	–	236,792
Postage & Courier Charges	126,926	78,184
Maintenance of Computers	53,950	37,013
Annual Demat Fees	34,978	37,432
Telephone, Fax and Internet	160,403	264,310
Security, Watch & Ward Expenses	1,520,436	1,101,009
Cleaning Charges	20,500	148,666
Bank Charges	2,745,319	144,671
Professional Fees	3,613,028	1,673,463



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Particulars	Amount in Rs. As At 31st March 2011	Amount in Rs. As at 31st March, 2010
Locer Rent	–	6,618
Discount	–	(10,017)
Entertainment	–	18,184
Insurance	–	95,599
Petrol & Vehicle Expenses	–	332,307
License Fees	571,700	1,224,241
Miscellaneous Expenses	31,713	100,246
STT Charges on Shares	3,528	131,021
Books & Periodicals	–	8,540
Professional Tax	5,000	14,117
Legal Fees	1,406,080	1,410
Travelling Expenses	–	25,274
Baddebts	125,000	1,406,960
Auditors' Remuneration		
– Audit Fees	750,040	
– Tax Matters	165,450	
– Others	375,020	1,226,155
Vat Audit Fees	–	46,630
General Expenses	87,000	
Directors sitting fees	320,000	320,000
Donation	288,500	3,111,000
	14,147,672	16,920,830
Schedule – "T " : Interest Expenses		
Interest on CC	428,889	–
Interest on Car Loans	443,080	69,610
Interest on unsecured loans/others	15,669,051	6,465,992
Interest On F. D. Loan	–	184,398
	16,541,020	6,720,000
Schedule – " U " : Selling Expenses		
Advertisement & Publicity	118,295	774,514
Sale Promotion Expenses	862,547	893,521
Website Maintenance charges	26,300	11,600
Brokerage Expenses	–	900,000
	1,007,142	2,579,635



SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED ACCOUNTS

SCHEDULE 'V'

SIGNIFICANT ACCOUNTING POLICIES

1. Principles of consolidations

The consolidated financial statements relate to Prime Property Development Corporation Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary company is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements"
 - The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
 - As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
 - The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets is recognized only if there is sufficient evidence that future taxable income will be available. However deferred tax assets and Liabilities of Holding and subsidiary are not set off against each other as there is no legally enforceable right to set off assets against liabilities representing current tax.
 - Other Significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

NOTES ON ACCOUNTS:

- The Subsidiary company considered in the consolidated financial statement is:

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest
Sea-King club Private Limited	India	100%

- As company holds 100% interest in Subsidiary, Minority interest does not exist.
- There are no investments in associates as defined by AS 23 for "Accounting for Investment in associates in consolidated financial statements", issued by ICAI.
- While consolidating, Revaluation reserve of subsidiary company has been set off against cost of Investment; so depreciation of Rs. 16,75,247/- which is charged to Revaluation Reserve in subsidiary company's account is adjusted against profit and loss account in consolidated balance sheet in the Schedule of Reserve and Surplus.
- There is no disposal of Investment in subsidiary company during the year.
- Holding Company maintains fixed assets at gross block and subsidiary company maintains fixed assets at net block. The Assets of the subsidiary company which is valued at net block has been taken as base gross block in preparing the Consolidated Financial Statements for alignment of gross block uniform accounting policy.
- Managerial Remuneration: (Included under the head "Payments to and Provisions for Employees") Remuneration to Managing Director / Executive Directors

(In Rs.)

Particulars	2010 – 2011	2009 – 2010
Salaries to Executive Directors	5,550,000	6,075,000
Director's Sitting Fees	320,000	320,000
Commission to Chairman (Proposed)	Nil	1,500,000
Total	5,870,000	7,895,000



8. Earnings Per Share (EPS) under Accounting Standard 20 of ICAI:

(In Rs.)

Particulars	2010-2011	2009-2010
Net Profit / (Loss) After Tax (before adjustment for Extraordinary items)	(32,538,620)	37,164,984
Net Profit / (Loss) After Tax (after adjustment for Extraordinary items)	(32,228,479)	39,353,050
Number of Equity Shares (Nominal Value of Rs. 5/- each)	20,000,000	20,000,000
Weighted Earnings per share (before adjustment for Extraordinary items) (Basic & Diluted)	(1.63)	1.86
Weighted Earnings per share(after adjustment for Extraordinary items) (Basic & Diluted)	(1.61)	1.97

9. Related Parties Disclosures Under Accounting Standard 18 Of ICAI:

(A) Particulars of Party where control exists / Relative of parties where control exists:

Name of the Related Party	Nature of Relationship
(i) M/s. Prime Property Developers	Party where control exists

(B) Key Management Personnel:

	Name of the Persons	Designation
(i)	Shri. Padamshi L. Soni	Chairman
(ii)	Shri. Manish P. Soni	Whole Time Director
(iii)	Shri. Vishal P. Soni	Whole Time Director

(C) Transactions with Party where control exists / Relative of parties where control exists:

Particulars	Party where control exists	Party where control exists
	2010 – 2011	2009-10
	Rs.	Rs.
(i) Loans taken during the year (Balance at year end)	68,605,000	161,504,595
(ii) Due to related parties (Balance at year end)	NIL	NIL
(iii) Sales	NIL	NIL
(iv) Interest Expenses	15,669,051	4,215,992
	Relative of party where control exists	Relative of party where control exists
(v) Sales	NIL	NIL
(vi) Interest Expenses	NIL	NIL

(D) Details of transactions relating to Key Management Personnel:

Particulars	2010 – 2011	2009-10
	Value of Transaction	Value of Transaction
	Rs.	Rs.
(i) Remuneration to Whole Time Directors	5,550,000	6,075,000
(ii) Commission payable to Chairman	NIL	1,500,000

10. Segment Information:

The Company has identified two Primary reportable segment viz. Property Development and Hotel Business. Segments have been identified and reports taking into account nature of products and services, the differing risks and returns. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for the segment reporting.

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. As both the segment activity runs under different entity i.e. holding and subsidiary there is no un-allocable



expenses.

b) Segment assets and segment liabilities represent assets and liabilities in respective segment. It is possible to allocate all assets and liabilities as both segments are run by different entity i.e. holding and subsidiary.

(i) Primary Segment Information:

	Particulars	Property Development		Hotel		Total	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
1	Segment Revenue						
	External Turnover						
	Inter Segment Turnover	0	267,500,000	0	13,655,031	0	281,155,031
	Total Direct Turnover	0	267,500,000	0	13,655,031	0	281,155,031
2	Other Income	-1,007,137	3,667,491	0	187,926	-1,007,137	3,855,417
3	Gross Revenue	-1,007,137	271,167,491	0	13,842,957	-1,007,137	285,010,448
4	Segment Result before Interest and taxes	-29,839,511	65,288,644	-1,690,547	-714,064	-31,530,058	64,574,580
	Less: Interest Expenses	16,541,020	6,720,000	0	0	16,541,020	6,720,000
	Profit Before Tax	-46,380,530	58,568,644	-1,690,547	-714,064	-48,071,077	57,854,580
	Less: Current Tax	30,000	21,450,000	0	0	30,000	21,450,000
	Add: Deferred Tax	15,055,531	380,635	506,928	220,646	15,562,459	601,281
	Profit/(Loss) After Tax	-31,355,000	37,499,279	-1,183,619	-493,418	-32,538,619	37,005,861
	Add: Pre acquisition loss of Subsidiary company before adjusting extraordinary items	0	0	0	159,124	0	159,124
	Add/(Less) : Extraordinary/Prior period Items	310,141	2,188,065	0	-322,323	310,141	1,865,742
	Add/(Less): Pre acquisition Extraordinary items of Subsidiary Company	0	0	0	322,323	0	322,323
	Profit after tax (before adjustment for Minority Interest)	-31,044,859	39,687,344	-1,183,619	-334,294	-32,228,478	39,353,050
	Add: Share of (Profit) /Loss transferred to Minority	0	0	0	0	0	0
	Profit after tax (after adjustment for Minority Interest)	-31,044,859	39,687,344	-1,183,619	-334,294	-32,228,478	39,353,050
5	Other Information						
	Segment Assets	902,387,330	741,779,904	277,175,058	280,328,393	1,179,562,388	1,022,108,297
	Segment Liabilities	531,989,537	331,774,110	69,446,009	3,115,492	601,435,546	334,889,602
	Depreciation	5,484,836	3,499,771	399,619	497,651	5,884,455	3,997,422

(ii) As per Accounting Standard on segment Reporting (AS – 17), “Segment Reporting”, the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries. However company does not required to give segment reporting for its standalone results.



(iii) Whole group activity conducted in only one geographical segments by location of assets and also by location of customer, so scope of reporting Secondary Segment Information becomes redundant.

As Per our attached report of even date

Signatures to Schedules 'A' to 'U'

For VORA & ASSOCIATES
CHARTERED ACCOUNTANTS
(ICAI Firm Regn. No. 111612W)

For and on behalf of the Board of Directors

MAYUR A. VORA
PARTNER
(Membership No. 30097)

P L. SONI	CHAIRMAN
K. NALINAKSHAN	DIRECTOR
MANISH P. SONI	WHOLE TIME DIRECTOR
VISHAL P. SONI	WHOLE TIME DIRECTOR
ALOK CHOWDHURY	WHOLE TIME DIRECTOR
ZARANA JHAVERI	COMPANY SECRETARY

PLACE: MUMBAI
DATE: 30th July, 2011

PLACE: MUMBAI
DATE: 30th July, 2011

**PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED****Ten Years – Financial Highlights At A Glance.**

PARTICULARS	(RS IN LAKHS)									
	2010-2011	2009-10	2008 – 09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
SALES & OTHER IN-COME	(10.07)	2724.23	8,774.94	10,850.93	1,669.81	5,733.01	1,728.72	1,529.80	1,418.33	149.05
PROFIT BEFORE TAXES	(463.81)	585.69	2,219.76	5,023.00	1,269.57	2,169.83	216.30	149.34	130.22	0.98
PROFIT AFTER TAXES	(310.45)	396.87	1,449.65	3,252.44	822.40	1,445.95	140.27	95.20	114.54	0.91
EQUITY SHARE CAPITAL	1,000	1000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
RESERVES & SURPLUS	5,682.61	6110.06	5,888.68	4,790.01	1,888.56	1,357.66	141.20	114.56	18.89	(95.63)
TANGIBLE NET WORTH	6,682.61	7,110.06	6,888.68	5,790.01	2,888.56	2,357.66	1,141.20	1,114.56	1,018.89	904.37
BOOK VALUE PER SHARE OF Rs 5/-	33.41	35.55	34.44	28.95	14.44	11.79	5.71	5.57	5.09	4.52
E.P.S (RS) ON Rs 5 paid up	(1.55)	1.98	7.25	16.26	4.12	7.22	0.70	0.48	0.57	0.01
DIVIDEND %	10%	15%	30%	30%	25%	20%	10%	NIL	NIL	NIL
PBT TO SALES %		21.50%	25.30%	46.29%	76.03%	37.85%	12.51%	9.76%	9.18%	0.66%
PAT TO SALES %		14.57%	16.52%	29.97%	49.25%	25.22%	8.11%	6.22%	8.08%	0.61%
DEBT EQUITY RATIO	0.61 : 1	0.24 : 1	0.20 : 1	0.60 : 1	1.41 : 1	0.25 : 1	1.28 : 1	0.66 : 1	0.98 : 1	0.72 : 1



PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

Registered Office: 101, Soni House, Plot No. 34, Opp. Copper Chimney,
Gulmohar Road No. 1, JVPD Scheme, Vile Parle (W), Mumbai - 400 049.

PROXY FORM

I/We _____ of _____ being a member/members of PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Friday, the 30th September 2011 at Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Vile Parle (W), Mumbai 400056, at 11.30 A.M. and at any adjournment thereof.

Signed this _____ day of _____, 2011.

Folio No/ Demat Account No.: _____

AFFIX
REVENUE
STAMP

Signature of Shareholder

NOTE : This form duly completed should be deposited at the Registered Office of the Company before 48 hours of the meeting. A Proxy need not be a Member.

PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

Registered Office: 101, Soni House, Plot No. 34, Opp. Copper Chimney,
Gulmohar Road No. 1, J.V.P.D. Scheme, Vile Parle (W), Mumbai: 400 049.

ATTENDANCE SLIP

(Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand over at the entrance of the Meeting Hall)

I hereby record my presence at the 19th Annual General Meeting of the Company at Santokba Sanskar Sadan, Next to Bhaidas Maganlal Sabhagriha, Bhaktivedant Swami Marg, Vile Parle (W), Mumbai 400056, on Friday, 30th September, 2011 at 11.30 A.M.

Folio No/ Demat Account No. : _____

Full name of the Shareholder/Proxy : _____

(IN BLOCK LETTERS)

Signature:

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING, ALONG WITH THE COPY OF ANNUAL REPORT



Book-Post

To,

If undelivered, Please return to :



PRIME[®]

Property Development Corporation Ltd.

101. Soni House, Plot No. 34, Gulmohar Road No. 1,
Juhu Scheme, Vile Parle (West), Mumbai - 400 049. (India)

Tel. : 91-22-2620 8507 • Fax : 91-22-2623 5076

E-mail : primeproperty@vsnl.net