



Property Development Corporation Ltd.

**21st Annual Report
2012-2013**



21st ANNUAL GENERAL MEETING

Day & Date : Monday, September 30, 2013
Time : 11.30 A.M.
Venue : 101, Soni House, Plot No. 34, Gulmohar Road No. 1,
 J.V.P.D. Scheme, Vile Parle (West), Mumbai - 400 049.

BOARD OF DIRECTORS

Shri. Padamshi L. Soni	Chairman
Shri. Yadavrao C. Pawar	Independent Director
Shri. Nalinakshan Kolangaradath	Independent Director
Shri. Satendrakumar C. Bhatnagar	Independent Director
Shri. Ishwarchand G. Shah	Independent Director
Shri. Manish P. Soni	Whole Time Director
Shri. Vishal P. Soni	Whole Time Director
Shri. Alok A. Chowdhury	Whole Time Director & C.E.O.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Zarana Jhaveri
 E-mail: compliance_officer@ppdcl.com

ADVOCATE & SOLICITOR

Vinod Mistry & Co.
 Advocates & Solicitors, Mumbai

AUDITORS

M/s. Vora & Associates
 Chartered Accountants

BANKERS

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

REGISTERED OFFICE

101, Soni House, Plot No. 34,
 Gulmohar Road No. 1,
 J.V.P.D. Scheme, Vile Parle (West),
 Mumbai - 400 049.
 Email: info@ppdcl.com
 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 21st Annual General Meeting of the members of **PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED** will be held on Monday, September 30, 2013 at 11.30 am at the Registered office of the Company at 101, Soni House, Plot No.34, Gulmohar Road No.1,JVPD Scheme,Vile Parle (West), Mumbai- 400049.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2013 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 Yadavrao Pawar, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Alok Chowdhury, 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 and other services for the year ending on 31.03.2014.”

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 sections 198,309,349 and other applicable provisions, if any, of Companies Act, 1956, commission of ₹1.05 crores be paid to Mr. P. L. Soni, Chairman, for the year 2012-2013.”

By order of the Board of Directors

**P. L. Soni
Chairman**

Date: 25th May,2013

Registered office:

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

Annexure to the notice

The Board of Directors, on recommendation of Remuneration Committee at its meeting held on 25th May 2013, has proposed, subject to the approval of members in AGM, to pay a commission of ₹1.05 crores to Mr P. L. Soni, for his services rendered to the Company.

Except Mr. P. L. Soni, Mr Manish Soni and Mr Vishal Soni, no other Director is interested in the resolution.

By order of the Board of Directors

**P.L.Soni
Chairman**

Date: 25th May,2013

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 Register of Members & the Share Transfer Books of the Company will remain closed from 25th September, 2013 to 27th September, 2013 (both days inclusive).
3. 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.
4. Members/Proxy holders are requested to bring their Attendance Slip duly completed and signed along with their copy of Annual Report to the Meeting.
5. 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.
6. 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.
7. 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.
8. Physical share transfer request should be accompanied by valid transfer deed, duly stamped, Adhaar and PAN card copy of both transferor and transferee.
9. Pursuant to section 205A of the Companies Act, 1956, unclaimed dividends for 2004-2005 have been transferred to Investors Education and Protection Fund as the period of seven years since the transfer of dividend to Unpaid Dividend Account has elapsed.
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.**
14. 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 shares 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 to 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	Mr. Yadavrao C. Pawar	Mr. Alok Chowdhury
Date of Birth	25.07.1941	1.11.1943
Date of Appointment	16.01.2006	01.01.2008
Qualifications	B.SC.; LL.B.; I.P.S	M.A.-ECONOMICS/ C.A.I.I.B.
Expertise in specific functional areas	Twice awarded with President's Police Medal. Jt. Commissioner (law & order) Mumbai. Deputy Director - Maharashtra Police Academy, Nasik. Commandant, SRPF G.R. VIII. Deputy Commissioner of Police in Thane Commissionerate. Supdt. of Police, Nanded. Tahasildar, Ratnagiri. He is Chairman of Shareholders/ Investors Grievance Committee	Joined in 2001 as the CEO of the Company and interalia looks after finance, banking, documentation and administration. He is a member of Shareholders/ Investors Grievance Committee.
List of other Companies in which Directorship held as on 31st March, 2013.	NIL	NIL
Chairman / member of the Committee of the Boards of the other Companies on which he is a Director as on 31st March, 2013 .	NIL	NIL



DIRECTORS' REPORT

To
The Members,
Prime Property Development Corporation Limited

Your Directors have pleasure in presenting the 21st Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31, 2013.

A. Financial Results:

Particulars	(₹ In lacs)	
	2012 – 2013	2011 – 2012
Business & Other Income	10,364.59	6.82
Profit / (Loss) before Interest, Depreciation & Tax	1,782.96	(174.75)
Less:		
a. Interest	275.31	198.09
b. Depreciation	33.89	43.10
Profit / (Loss) before tax	1,473.79	(415.94)
Less: Provision for Tax:		
a. Current Year	310.32	0.28
b. Deferred Tax	245.63	(137.80)
c. MAT Credit Entitlement	(60.34)	Nil
d. Short / Excess for earlier years	8.47	(20.33)
Profit / (Loss) for the Period	969.71	(258.09)

B. Dividend:

Your Directors are pleased to recommend a dividend of 20% on the equity shares, i.e. ₹1 per equity share of ₹ 5/- each, for the financial year ended 31.03.2013.

C. Current Year's Operation:

During the first quarter of 2012-2013, Prime Mall, Pune was sold and the Company has earned a net profit of ₹969.71 lacs in the current year, as against the net loss of ₹258.09 lacs in the previous year. Company's project at Vile Parle(W) is in an advanced stage of completion and is expected to be completed by the 2nd quarter of 2013-2014 .

D. Future Prospects:

The Vile Parle Project of your Company is almost complete & negotiations for its sale are taking place in right earnest. We hope that the sale will be realized in 2013-2014 & the project would bring in reasonable returns. Your Company is also in the lookout for suitable projects.

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, 2013, 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 revenue concept, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2013 and of the profit 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, 2013, is prepared on a 'going concern' basis.

F. Directors:

Shri Yadavrao C. Pawar, 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 Alok Chowdhury, Whole time Director & CEO, retires by rotation at the ensuing Annual General Meeting & being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

G. Subsidiary:

The operations of Subsidiary Company is temporarily suspended pending renovation of the hotel with modern and improved amenities. It has applied for necessary statutory approvals from the authorities for modernization and enhanced capacity and is awaiting clearance thereof.

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, save as mentioned elsewhere in the Report 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 to which the Balance Sheet relates and the date of this 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**, are not applicable, as the Company is not carrying out any manufacturing operation.



c) Foreign Exchange Earnings and Outgo:

Particulars	As on 31.03.2013	As on 31.03.2012
a) Earnings in foreign exchange	Nil	Nil
b) Expenditure / outgo in foreign exchange (Travelling)	346,708	Nil

(3) Particulars of Employees:

As required, pursuant to provisions of Section 217 (2A) of the Companies Act 1956 and rules framed there-under read with the Companies (Particulars of Employees) Rules, 1975, details is as follows;

The Company on recommendation of Remuneration Committee held on May 25, 2013 proposed to pay a performance commission of ₹ 10,500,000/- to Shri P. L. Soni, the Chairman of the Company. The detail is as below:

Name of the Recipient	Shri. P. L. Soni
Gross Commission	₹ 10,500,000/-
Nature of Duties	Chairman
Qualification & Experience	Graduate, 35 years of Experience
Age	65 years

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 and does not require any further clarifications by the Board.

L. Auditors:

M/s. Vora & Associates, Chartered Accountants, Firm Registration No. 111612W, 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

Place: Mumbai
Date: 25th May, 2013

P. L. Soni
Chairman



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Overview:

The year 2012 reflected a generally weak economic performance by most countries. Expectation of recovery in 2013, however, has been very real in many major economies.

Global economic outlook projects a moderate growth in the United States & Japan in the first half of 2013, but pace of recovery by European Countries may be slower. Prudent decision making & austerity measures in some OECD countries have boosted the hope of revival. Financial markets in some countries have improved much faster than the real activity pointing to improved sentiments. Monetary Policy action to generate demand will be necessary to sustain further development.

Emerging economies, on the other hand, have grown faster & this is expected to drive growth also at the global level. Indian economy, though, had a lacklustre performance in the face of lower industrial production, poor export performance & high import bills. Depreciation of rupee & shrinking foreign investment made the situation worse for the Indian Economy.

Industry Structure and Developments:

The year 2012 has been described by some experts as the year of lost opportunities for the housing industry & the country's economy. Sales Volumes have been crumbling, but prices of housing have been rising in metros & tier 1 & 2 cities, reflecting a paradoxical situation.

For some years, real estate is going through a difficult phase, inviting a lot of introspection amongst the industry players & the Government. Some positive actions, like, interest incentive for low cost housing, permitting External Commercial Borrowings (ECBs), permitting FDI upto 51% & 100% in multi-brand & single-brand retail, respectively, reduction of withholding tax from 20% to 5% for infrastructure debt funds/bonds are expected to generate global interest in establishing operations in the country. The government is also expected to bring in the Goods & Services Tax & the Real Estate Regulation Bill at the appropriate time.

Negative factors & developments, however, far outweigh the positive sentiments. There has been a significant apathy at the highest levels of administration to take decisions & approvals, mostly due to several scams coming to light. One-window concept for granting project proposals continue to be a wishful thinking, making the developers clear a multitude of approval formalities. Banks continue to view the sector unfavourably, both in terms of credit dispensation & high rate of interest. Recognition of Industry status continue to allude real estate activities. Lack of Land Reforms contribute to high cost & non-availability of clean title land, making way for too many litigations & consequent adverse public sentiment. To top it all, the sector bears a very high incidence of taxes making a property deal uncomfortably expensive.

Industry experts, however, expect that the latter part of 2013 would see many changes for the betterment of the real estate mainly because the global economy is on the path to recovery & because real estate performance is closely linked to economic activities.

Business Analysis/Performance /Outlook:

During the past couple of years, your Company's projects were in progress &, therefore, there were no sales realization. There was also an issue of rectification of revenue records for the Prime Mall Project at Pune. As was stated in our Report for 2011-2012, the revenue records were got rectified & the Project was sold. The sales have been reflected in the books of the Company in the year 2012-2013.

The Vile Parle Project of your Company is almost complete & negotiations for its sale are taking place in right earnest. We hope that barring unforeseen circumstances the sale will be realized in 2013-2014 & the Company's operations would continue to be profitable.

**Opportunities, Threats, Risks & Concerns:**

Property sale is expected to get a boost with recent liberalization in FDI & reduction in withholding tax for infrastructure debt funds/bonds, among some other decisions. Improvement in economic activity expected in the latter part of 2013-2014, would usher in favourable sentiments & open up opportunities for the real estate sector.

Higher taxes, coupled with ever-increasing input costs, make property deals very expensive. It also forces most end-users out of market. Entry of artificial players having limited stake affects healthy development of the market itself & may threaten the sector as a whole.

Poor land records, land reforms, ad hoc policy structure & regulations make the entire exercise of development of property a risky & expensive affair for the developer & the end-user. Another major concern of the real estate sector is the lack of Transparency & Accountability in several activities from approval to delivery stages.

Your Company constantly reviews the scenario & evaluates the various options available, to mitigate the concerns & exploit the opportunities.

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 regularly 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/competent and help in successful and timely execution of projects. The Company has a qualified Company Secretary and Compliance Officer to deal with 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 Directors

P. L. Soni
Chairman

Place: Mumbai
Date: 25th May, 2013



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-2013

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/half yearly/annual 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, 2013, **four** Board Meetings were held on 15th May, 2012, 31st July, 2012, 08th November, 2012, 11th February, 2013.

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. 29, 2012	No. of Directorship in other companies		No. of Committee positions held in other companies	
				Member	Chairperson	Member	Chairperson
Shri Padamshi L. Soni	Chairman	4	Yes	0	1	0	0
Shri Nalinakshan 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	3	Yes	0	0	0	0
Shri Manish P. Soni	Whole time Director	3	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. Independent Directors do not hold any shares or convertible instruments of the Company .



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

RETIREMENT BY ROTATION

In accordance with the provisions of the Companies Act, 1956, Shri Yadavrao Pawar and Shri Alok Chowdhury retire by rotation and have expressed their willingness to be re-appointed at the ensuing 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.
- To review the financial statements, in particular, the investments made by unlisted Subsidiary Company.

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 29.09.2012.

During the financial year ended March 31, 2013 **four** Audit Committee Meetings were held on 15th May, 2012, 31st July, 2012, 08th November, 2012, 11th February, 2013.

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 Kolangaradath	Chairman	4
Shri Satendrakumar C. Bhatnagar	Member	4
Shri Ishwarchand G. Shah	Member	3
Shri Padamshi L. Soni	Member	4
Shri Vishal P. Soni	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 did not meet in the year 2012-2013.

The names of the Committee Members, their composition are as follows:

Name of the Members	Designation
Shri Shri Ishwarchand G. Shah	Chairman
Shri Nalinakshan Kolangaradath	Member
Shri Yadavrao C. Pawar	Member

The remuneration package given to the directors during the year 2012-2013 are as follows:

Name	Designation	Remuneration
Shri Manish Soni and Shri Vishal Soni	Whole-time Directors	₹1,50,000 p.m. each inclusive of perquisites, plus bonus of ₹51,000 each.
Shri Alok Chowdhury	Whole-time Director and CEO	₹1,50,000 p.m. inclusive of perquisites, plus bonus of ₹ 51,000.



Shri Nalinakshan Kolangaradath, Shri Ishwarchand Shah, Shri Satendra Bhatnagar, Shri Yadavrao Pawar	Independent Directors	₹ 20,000 per person per meeting plus expenses not more than ₹5000.
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Based on the recommendation of Remuneration Committee in its meeting held on 25.05.2013, Board of Directors have proposed a commission of ₹1.05 crores for the year 2012-2013 to the Chairman, Shri Padamshi Soni.

The Chairman of Remuneration Committee was present in the Annual General Meeting held on 29.09.2012.

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

6. SHAREHOLDERS / INVESTORS GRIEVANCE 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/dematerialization, 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, 2013, **four** Shareholders/Investors Grievance Committee Meetings were held on 15th May, 2012, 31st July, 2012, 08th November, 2012, 11th February, 2013.

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

Name of the Members	Designation	Total Meeting Attended
Shri Yadavrao C. Pawar	Chairman	4
Shri Manish P. Soni	Member	3
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, 2013. There were Nil outstanding requests for transfer & Nil pending requests for dematerialization of shares as on March 31, 2013. One court case is pending against Link Intime India Pvt. Ltd, Registrar and Share Transfer Agent, 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.: 26242144, Fax: 26235076

7. SUBSIDIARY COMPANY

Sea-king Club Pvt. Ltd., an unlisted Company, 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, and in particular, the investment made by the unlisted Subsidiary Company.

The Minutes of the Board meetings of the 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 31.03.2013.

The Ministry Of Corporate Affairs, Government of India, has granted a general exemption from attaching Balance sheet, Profit and Loss A/c 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 Company viz. Sea-King Club Pvt. Ltd. for the year ended 31.03.2013. Your Board of Directors in its meeting held on 25th May,2013 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 apply to the Company Secretary and Compliance officer.

8. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2011-2012	Sept. 29,2012	11.30a.m.	101, Soni House, Plot No.34,Gulmohar Road No.1,JVPD Scheme, Vile Parle (West),Mumbai- 400049.
2010-2011	Sept. 30,2011	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.

Special resolutions were passed in the meetings by the shareholders in the respective year.

No extraordinary general meeting was held during the year 2012-2013.

No Postal ballot was conducted during the year 2012-2013

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 ₹100 (Rupees One hundred) crores.

Loan of ₹ 3,10,09,337 was given by the Company to Sea-King Club Pvt. Ltd. as on 31.03.2013 as against Rs 2,17,66,705 in the previous year.

Sea-King Club Pvt. Ltd. has taken loan from State Bank Of India which is guaranteed by Prime Property Development Corporation Ltd. and Personal Guarantee by Shri Padamshi Soni, Shri Manish Soni and Shri Vishal Soni. Outstanding amount as on 31.03.2013 is ₹ 6.59 crores(PY: ₹ 6.59 crores)

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. In compliance with clause 49(1)(D)(II) of Listing Agreement,all personnel have affirmed to it.

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, 2013 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

Email address of the Company is info@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 INE233C01023.

**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, 2013, 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 : Monday, September 30, 2013 at 11.30 a.m.
Venue : Registered office of Prime Property Development Corporation Limited
 101, Soni House, Plot No.34, Gulmohar Road No.1,
 JVPD Scheme, Vile Parle (West),
 Mumbai- 400049.

b) Financial Calendar:

Results for quarter ending June,2013	By August 15,2013
Results for quarter ending Sept.,2013	By November 15,2013
Results for quarter ending Dec.,2013	By February 15,2014
Results for Year ended March, 2014	By May 30,2014

c) Date of Book Closure : September 25, 2013 to September 27, 2013 (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 (for shares) : 530695
Symbol (for shares) : 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	Low	High	Low
Apr-12	16.39	11.15	17,664.10	17,010.16
May-12	13.25	9.75	17,432.33	15,809.71
Jun-12	13.00	10.30	17,448.48	15,748.98
Jul-12	13.33	9.24	17,631.19	16,598.48
Aug-12	22.00	10.10	17,972.54	17,026.97
Sep-12	19.55	15.70	18,869.94	17,250.80
Oct-12	19.15	15.40	19,137.29	18,393.42
Nov-12	18.00	15.00	19,372.70	18,255.69
Dec-12	16.55	14.75	19,612.18	19,149.03
Jan-13	18.95	14.50	20,203.66	19,508.93
Feb-13	15.55	11.12	19,966.69	18,793.97
Mar-13	13.30	9.20	19,754.66	18,568.43

**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. Members holding shares in physical form are requested to get them dematerialized for easy transactions on stock exchange.

j) Distribution of Shareholding as on March 31, 2013:

No. of Equity Shares Held	SHARE HOLDERS		No. of Shares	
	No	% OF TOTAL	No. of shares held	% OF TOTAL
UPTO 500	2693	75.5612	432087	2.1604
501 - 1000	384	10.7744	317485	1.5874
1001 - 2000	233	6.5376	356008	1.7800
2001 - 3000	62	1.7396	156758	0.7838
3001 - 4000	51	1.4310	181998	0.9100
4001 - 5000	23	0.6453	110668	0.5533
5001 - 10000	55	1.5432	403999	2.0200
10001 - And Above	63	1.7677	18040997	90.2050
TOTAL	3564	100.00	20000000	100.00

k) Share Holding Pattern as on March 31, 2013:

Category	No. of shares	% of Shareholding
a. Promoter's holding	12129347	60.646%
b. FIIs	25000	0.1250%
c. Corporate Bodies	2925091	14.6255%
d. Public (In India)	4841830	24.2091%
e. NRIs / OCBs	60627	0.3031%
f. Clearing Member	17430	0.0871%
g. Any Other (Trust)	675	0.003%
GRAND TOTAL...	20,000,000	100.00%

l) Dematerialization of shares:

98.75% of the Company's paid up equity share capital has been dematerialized up to March 31, 2013. 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, 2013 are as under:

Depository	No. Of Shareholders	No. Of Shares	% Of Capital
NSDL	2028	17481036	88.51%
CDSL	1281	2268920	10.24%
TOTAL	3309	19749956	98.75%

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.

Place: Mumbai

Date: 25th May, 2013

For and on behalf of the Board of Directors

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.

Place: Mumbai

Date: 25th May, 2013

For and on behalf of the Board of Directors

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.

Place: Mumbai

Date: 25th May, 2013

For and on behalf of the Board of Directors

Alok Chowdhury

Whole-time Director and CEO

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, 2013, 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 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 : 25th May, 2013



INDEPENDENT AUDITORS REPORT

To,
THE MEMBERS OF
PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of **PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED** ("The Company") which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, read together with the Notes No. 1 to 25 thereon, give the information required by the Companies Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") issued by the Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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.
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**Place: Mumbai
Dated : 25th May, 2013**

**MAYUR A. VORA
PARTNER
(Membership No.30097)**



Annexure to the Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date for the year ended 31st March 2013)

- I. In respect of its Fixed Assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) As explained to us and according to the practice generally followed by the Company, all the fixed assets have been verified in a periodical manner by the management during the year and no material discrepancies were noticed on such physical verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
 - (c) The Company has not disposed off any of its fixed assets during the year under review, so as to affect its going concern.
- II. 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 stock of inventory in the Company's custody.
 - (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to size of the Company and nature of its business.
 - (c) In our opinion, the Company is generally maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and 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.
- III. In respect of loans, secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956;
 - (a) During the year, the Company has not granted any secured or unsecured loans to companies, firms or other parties covered under register maintained u/s 301 of the Companies Act, 1956. Consequently, the requirements of paragraphs 4(iii) (b), (c), (d) of the "Order" are not applicable to the Company.
 - (b) The Company has taken unsecured loan from 2 parties covered in the register maintained u/s 301 of the Companies Act, 1956. In respect of the said loan, the maximum amount outstanding at any time during the year was ₹ 23,03,80,000/- and the year-end balance is ₹ 17,61,70,000/-.
 - (c) The rate of interest and other terms and conditions of the aforesaid loan taken is prima facie not prejudicial to the interest of the Company.
 - (d) The Company is regular in repaying the principal amounts and interest as stipulated to the aforesaid parties.
- IV. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business for purchase of inventory and fixed assets and for sale of goods and services, if any. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- V. In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956;
 - (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the Register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of ₹ 5.00 lacs in respect of each party during the year have been made at prices which appear reasonable as per the information available with the Company.
- VI. The Company has not accepted any deposits from the public within the meaning of Section 58A and Section 58AA of the Companies Act 1956.
- VII. As informed 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 nature of its business.



- VIII. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained being real estate construction business.
- IX. In respect to statutory dues
- (a) According to the records of the Company, the undisputed statutory dues under Income Tax, Wealth Tax, Value Added Tax and other Statutory Dues as applicable to it have been generally regularly deposited with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, there were no dues of Income Tax, Wealth Tax, Value Added Tax and other statutory dues as may be applicable to it, which have not been deposited with the appropriate authorities on account of any dispute.
- X. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit. The cash loss incurred in the immediately preceding financial year is ₹ 2,35,31,469/-.
- XI. The Company does not have any outstanding dues to any bank or financial institution during the year under review.
- XII. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII. In our opinion 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.
- XIV. In our opinion, 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.
- XV. According to the information and explanations given to us, the Company has given corporate guarantee to the bankers on behalf of Wholly Owned Subsidiary Company Sea King Club Private Limited in respect of credit facilities availed of ₹ 50 crores.
- XVI. 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.
- XVII. The Company has not raised any fund on short term basis that have been used for long term investment.
- XVIII. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956, during the year.
- XIX. The Company has not raised any funds by way of debenture during the year.
- XX. The Company has not raised any money by way of public issue during the year.
- XXI. According to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

**Place: Mumbai
Dated : 25th May, 2013**

**MAYUR A. VORA
PARTNER
(Membership No.030097)**

**STANDALONE BALANCE SHEET AS AT 31ST MARCH 2013**

(Figures in Rupees)

Particulars	Note	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	100,000,000	100,000,000
Reserves and surplus	3	604,556,740	530,829,777
Non-Current liabilities			
Long-term borrowings	4	-	120,480,000
Deferred tax liabilities (Net)	5	27,628,900	3,065,785
Other Long term liabilities	6	48,800,000	45,000,000
Current Liabilities			
Trade payables	7	36,093,449	16,891,640
Other current liabilities	8	303,649,321	550,847,345
Short-term provisions	9	34,276,000	11,650,000
TOTAL		1,155,004,411	1,378,764,546
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		24,760,542	28,149,434
Capital Work-in-Progress		215,034,795	188,324,519
Non-Current Investments	11	315,031,476	315,031,476
Long-term Loans and Advances	12	86,119,634	81,416,502
Current Assets			
Inventories	13	-	753,694,904
Trade Receivables	14	501,700,000	1,700,000
Cash and Cash Equivalents	15	5,541,304	4,636,807
Short-term Loans and Advances	16	6,699,145	3,092,886
Other Current Assets	17	117,515	2,718,018
TOTAL		1,155,004,411	1,378,764,546

Notes are integral part of the Financial Statements

Significant Accounting Policies

1

Other Additional Disclosures

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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: 25th May, 2013

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: 25th May, 2013



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(Figures in Rupees)

Particulars	Note	2012-2013	2011-2012
Revenue from Operations	18	1,035,000,000	-
Other Income	19	1,459,474	682,211
Total Revenue		1,036,459,474	682,211
Expenses:			
Cost of materials consumed	20	68,300,164	91,666,676
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	753,694,904	(91,666,676)
Employee benefits expense	22	24,304,065	9,266,940
Finance costs	23	27,531,296	19,808,925
Depreciation and amortization expense	10	3,388,892	4,310,970
Other expenses	24	11,860,834	8,889,845
Total Expenses		889,080,155	42,276,680
Profit / (Loss) Before Tax		147,379,320	(41,594,469)
Tax Expense:			
(1) Current tax		31,031,500	27,500
(2) MAT Credit Entitlement		(6,034,000)	-
(3) Short / Excess for earlier years		847,241	(2,033,280)
(4) Deferred tax		24,563,115	(13,779,530)
Profit / (Loss) for the period		96,971,464	(25,809,159)
Earnings per Equity Share (Basic & Diluted)			
Face value of ₹ 5/- each		4.85	(1.29)

Notes are integral part of the Financial Statements

Significant Accounting Policies

1

Other Additional Disclosures

25

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	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: 25th May, 2013

Place : Mumbai
 Date: 25th May, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

(Figures in Rupees)

PARTICULARS	2012-2013	2011-2012
CASH FLOW FROM OPERATING ACTIVITIES	147,379,320	(41,594,469)
Net Profit / (Loss) before Tax and Extraordinary items		
Adjustment for:		
Depreciation	3,388,892	4,310,970
(Profit) / Loss on Sale of Fixed Assets / Investment	-	(85,402)
Interest Income	(282,399)	(404,547)
Provision for Gratuity	3,800,000	-
Dividend Income	(55,073)	(64,340)
	6,851,420	3,756,681
	154,230,740	(37,837,788)
Less: Income taxes paid	18,372,436	(2,185,639)
Operating Profit Before Working Capital Changes	135,858,304	(35,652,149)
(Increase) / Decrease in Inventories	753,694,904	(91,666,676)
(Increase)/ Decrease in Loans and Advances & Current Assets	(502,177,192)	(14,267,066)
Increase/ (Decrease) in Trade Payables & Current Liabilities	(125,618,924)	404,313,285
	125,898,787	298,379,543
Cash generated from / (Used in) operations (A)	261,757,091	262,727,394
II NET CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(26,710,276)	(64,538,402)
Sale of Fixed Assets	-	159,598
Dividend Income	55,073	64,340
Interest Income	282,399	404,547
Profit / (Loss) on Sale of Fixed Assets / Investment	-	85,402
Net cash used in Investing activities (B)	(26,372,804)	(63,824,515)
III CASH FLOW FROM FINANCIAL ACTIVITIES		
Secured Loans taken / (repaid)	(102,377,290)	(238,083,522)
Unsecured Loans taken / (repaid)	(120,480,000)	51,875,000
Dividend Paid	(10,000,000)	(10,000,000)
Tax Paid on above dividend	(1,622,500)	(1,660,875)
Net cash generated from Financial Activities (C)	(234,479,790)	(197,869,397)
NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C)	904,498	1,033,482
Cash and Cash Equivalent (Opening Balance)	4,636,807	3,603,325
Cash and Cash Equivalent (Closing Balance)	5,541,304	4,636,807

Notes:

- 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.
- Purchase of Fixed Assets includes movement of Capital Work in Progress during the year.
- Cash and Cash Equivalents include Cash and Bank Balance.
- Figures of Previous years have been regrouped and rearranged wherever necessary to conform to Current Year's classification.

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

MAYUR A. VORA
PARTNER
(Membership No.: 30097)

Place: Mumbai
Date: 25th May, 2013

FOR AND ON BEHALF OF BOARD

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: 25th May, 2013



NOTES FORMING PART OF ACCOUNTS

Note 2 Share Capital

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Authorised 4,00,00,000 Equity Shares of ₹5/-each (P.Y. 400,00,000 Equity Shares of ₹ 5/- each)	200,000,000	200,000,000
Issued, Subscribed & Fully Paid up 20,000,000 Equity Shares of ₹5/-each (P.Y. 20,000,000 Equity Shares of ₹ 5/- each)	100,000,000	100,000,000
Total	100,000,000	100,000,000

a) Reconciliation of Number of Shares Outstanding at the beginning & end of the year.

Equity Shares	As at 31st March 2013		As at 31st March 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20,000,000	100,000,000	20,000,000	100,000,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	20,000,000	100,000,000	20,000,000	100,000,000

b) Details of Share holders holding greater than 5% of Equity Share Capital

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	"Percentage of Holding "	No. of Shares held	"Percentage of Holding "
Shri. Padamshi L. Soni	9,751,925	48.76%	9,751,925	48.76%
Smt. Prabhavati P. Soni	1,777,422	8.89%	1,777,422	8.89%
Minal Finances Pvt.Ltd.	1,146,169	5.73%	1,146,169	5.73%

The above Share Holdings are as per the Register of members

c) Terms / Rights attached to the Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each Share Holder is eligible for one vote per share held. The Dividend Proposed by the Borad of Director is subject to the approval of the share holders in the ensuing Annual General Meeting. In the unlikely event of liquidation of the Company, the holders of the Equity Shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the equity shareholders.

The Company has distributed ₹ 1,00,00,000/- as dividend for F.Y. 2011-2012 and ₹ 1,00,00,000/- for F.Y. 2010-2011.

Note 3 Reserves and Surplus

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
a) General Reserves		
As per last balance sheet	76,650,000	76,650,000
(+/-) Transfer during the year	7,500,000	-
	84,150,000	76,650,000
b) Surplus in statement of profit and loss		
As per Last Balance Sheet	454,179,777	491,611,436
(+) Net Profit/(Net Loss) For the current year	96,971,464	(25,809,159)
(-) Proposed Dividends	20,000,000	10,000,000
(-) Provision for Tax on Dividend	3,244,500	1,622,500
(-) Transfer to Reserves	7,500,000	-
Closing Balance	520,406,740	454,179,777
Total	604,556,740	530,829,777

Note 4 Long Term Borrowings

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Unsecured considered good		
(a) Loans and advances from related parties		
Prime Property Developers #	-	120,480,000
	-	120,480,000
Total	-	120,480,000

The Company has taken a loan @ 15% p.a interest, from a concern in which director is interested.

**NOTES FORMING PART OF ACCOUNTS****Note 5 Deferred Tax Liabilities (Net)**

In accordance with Accounting Standard 22, relating to "Accounting on Taxes on Income", the provision for deferred tax asset and liability of ₹ 24,563,115/- has been shown as income for the Current year. The component of deferred tax liability and assets is as under;

Particulars	Opening as on 01/4/2012	Provision for the year	Closing as on 31/03/2013
Fixed Assets / Depreciation	(29,186,620)	239,116	(28,947,504)
Short Term Loss on Shares	85,504	-	85,504
Business Loss	26,035,331	(26,035,331)	-
Gratuity	-	1,233,100	1,233,100
Total	(3,065,785)	(24,563,115)	(27,628,900)

Note 6 Other Long Term Liabilities

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
(a) Others	45,000,000	45,000,000
(b) Provision for Gratuity	3,800,000	-
Total	48,800,000	45,000,000

Note 7 Trade Payables

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Others #	36,093,449	16,891,640
Total	36,093,449	16,891,640

The above Balances are subject to confirmation and reconciliation.
There are no dues to any Micro Small & Medium Enterprise

Note 8 Other Current Liabilities

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Current Maturity of Long Term Borrowings		
Secured		
i) Term Loan from banks (Refer i)	-	99,926,915
ii) Vehicle Loan (Refer ii)	-	2,450,375
	-	102,377,290
Loans from Related Parties		
Prime Property Developers	176,170,000	-
Unpaid Dividend	1,996,764	2,135,112
Other Liabilities	115,000,000	445,000,000
Other Payable		
Payable towards TDS under Income Tax	2,455,469	703,193
Payable towards Profession Tax	2,475	2,100
Payable to Employees	-	584,400
Commission to Chairman (Net)	7,958,091	-
Outstanding Expenses	66,523	45,250
Total	303,649,321	448,470,055
	303,649,321	550,847,345

- i) The Company repaid its credit facility to State Bank of India during the year.
ii) The Company repaid its Vehicle loan.

Note 9 Short Term Provision

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Others		
Provision for Taxation	11,031,500	27,500
Proposed Dividend	20,000,000	10,000,000
Provision for Tax on Proposed Dividend	3,244,500	1,622,500
Total	34,276,000	11,650,000

**Note : 10 Fixed Assets**

	Gross Block (at Cost)						Depreciation				Net Block (W. D. V)	
	As at 01.04.2012	Additions during the year	(Deductions/ Adjustments)	As at 31.03.2013	As at 01.04.2012	Charge for the year	(Deductions/ Adjustments)	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012		
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹		
a												
Tangible Assets												
Buildings	22,204,369	-	-	22,204,369	4,573,371	881,548	-	5,454,919	16,749,450	17,630,998		
Furniture and Fixtures	5,205,562	-	-	5,205,562	3,568,079	296,384	-	3,864,463	1,341,099	1,637,483		
Vehicles #	23,889,543	-	-	23,889,543	15,852,906	2,080,684	-	17,933,590	5,955,953	8,036,637		
Office equipment	1,976,166	-	-	1,976,166	1,181,053	110,596	-	1,291,649	684,517	795,113		
Computers	1,702,247	-	-	1,702,247	1,653,044	19,680	-	1,672,724	29,523	49,203		
Total	54,977,887	-	-	54,977,887	26,828,453	3,388,892	-	30,217,345	24,760,542	28,149,434		
b												
Capital Work In Progress ***	202,517,392	26,710,276	-	229,227,668	14,192,873	-	-	14,192,873	215,034,795	188,324,519		
Total	202,517,392	26,710,276	-	229,227,668	14,192,873	-	-	14,192,873	215,034,795	188,324,519		
Total	257,495,279	26,710,276	-	284,205,555	41,021,326	3,388,892	-	44,410,218	239,795,337	216,473,953		

Note

The Vehicles are registered with RTO in the name of a Director.

*** Includes expenses of ₹ 2,67,10,276/-incurred on the property at Vile Parle (W) during the year, which is under the Fixed Assets block, and no depreciation is charged on the property being Capital Work in Progress.

**NOTES FORMING PART OF ACCOUNTS****Note 11: Non Current Investment**

Sr. No.	Particulars	No. of Shares / Units		Amount (₹)	
		2013	2012	2013	2012
(a)	Investment in Equity Instruments (fully paid up)				
	i) Quoted Investment at Cost				
	Surana Industries Limited	250	250	27,111	27,111
	Rathi Steel & Power Limited	2,220	2,220	437,481	437,481
	Reliance Power Limited	6,000	6,000	1,474,079	1,474,079
	Hubtown Limited (Ackruti City Limited)	10,821	10,821	6,040,899	6,040,899
	Alok Industries Limited	30,000	30,000	673,350	673,350
	Essar Oil Limited	7,909	7,909	1,212,392	1,212,392
	The India Cements Limited	13,500	13,500	1,771,904	1,771,904
	JSW Ispat Steel Limited	10,000	10,000	251,163	251,163
	Jaiprakash Associates Limited	5,250	5,250	755,581	755,581
	Punj Lyod Limited	500	500	129,581	129,581
	Reliance Industries Limited	312	312	305,950	305,950
	Global Offshore Services Limited	2,000	2,000	379,473	379,473
	Suzlon Energy Limited	6,000	6,000	572,513	572,513
				14,031,476	14,031,476
	Market value on Quoted Shares			4,805,331	6,374,573
	ii) Unquoted Investment at cost				
	Sea-King Club Private Limited (100 % Wholly Owned Subsidiary Company)	5,000	5,000	301,000,000	301,000,000
	Total			315,031,476	315,031,476

No provision is made for diminution in value of Investments, being considered Long Term in nature by the Management

Note 12: Long Term Loans and Advances

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Unsecured, considered good		
a. Security Deposits	110,297	4,649,797
b. Loans and advances to related parties **	31,009,337	21,766,705
c. Other loans and advances	55,000,000	55,000,000
Total	86,119,634	81,416,502

** During the year Company has given an interest free loan to its Wholly Owned Subsidiary Company, M/s Sea-King Club Private Limited, maximum balance outstanding during the year is ₹ 3,10,09,337/-

**Note 13: Inventories (Refer Note 1 (g))
(As Certified by the Management)**

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Work in Progress (at Cost)	-	753,694,904
Total	-	753,694,904

Note 14: Trade Receivables

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Other Receivables Unsecured, considered good More than six months	501,700,000	1,700,000
Total	501,700,000	1,700,000



NOTES FORMING PART OF ACCOUNTS

Note 15: Cash and Cash Equivalents

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
a. Balances with banks		
Current Account	2,157,771	1,254,766
Unpaid Dividend Account	1,996,764	2,135,112
b. Cash on hand	1,386,770	1,246,929
Total	5,541,304	4,636,807

Note 16: Short Term Loans and Advances

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
<u>Unsecured, considered good</u>		
Loans and advances to related parties	485,945	2,976,686
Staff Advances	179,200	116,200
MAT Credit Entitlement	6,034,000	-
Total	6,699,145	3,092,886

Note 17: Other Current Asset

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Other Recoverables	7,567	10,939
Income Tax Refund Due	76,711	2,579,016
Prepaid Expenses	33,237	128,063
Total	117,515	2,718,018

Note 18: Revenue from Operations

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Income from Sale	1,035,000,000	-
Total	1,035,000,000	-

Note 19: Other Income

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Interest Income on FD	-	383,547
Interest on IT Refund	282,399	21,000
Dividend Income	55,073	64,340
Other non-operating income	24,957	127,922
Sundry Balance Written back	1,097,045	-
Net gain/loss on sale of Fixed Assets	-	85,402
Total	1,459,474	682,211

Note 20: Cost of Material Consumed

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Cost of material consumed	68,300,164	91,666,676
Total	68,300,164	91,666,676

Note 21: Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Inventories at the end of the year:		
Work-in-progress	-	753,694,904
Inventories at the beginning of the year:		
Work-in-progress	753,694,904	662,028,228
Total	753,694,904	(91,666,676)

**Note 22: Employees Benefit Expenses**

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
(a) Salaries and incentives		
Directors Salary & Incentives	5,553,000	5,550,000
Salary to staff	4,234,900	3,271,333
Proposed Commission to Chairman	10,500,000	-
(b) Staff welfare expenses	216,165	445,607
(c) Gratuity		
for prior period	3,200,000	-
for current Year	600,000	-
Total	24,304,065	9,266,940

Note 23: Finance Expenses

Particulars	As at 31st March 2013	As at 31st March 2012
Interest expense	27,531,296	19,808,925
Total	27,531,296	19,808,925

Note 24: Other Expenses

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Power and Fuel	594,379	570,319
Repairs and maintenance - Others	186,663	201,834
Rates and taxes	189,994	389,488
Communication	223,216	224,698
Travelling and Conveyance	425,646	694,437
Printing and stationery	178,304	160,903
Business promotion	395,165	1,421,922
Donation and contributions	70,800	553,876
Legal and professional	2,340,953	1,448,530
Payment to Auditors (Refer i)	922,073	943,065
AGM Expenses	13,180	61,864
Motor Car Expenses	666,819	198,597
Membership & Subscription	1,200	7,130
Security, Watch & Ward Expenses	1,056,100	1,384,135
Cleaning Charges	133,695	15,000
Bank Charges	4,572	131,047
Other Misc. expenses	158,681	53,657
Books and Periodicals	2,112	410
Directors sitting fees	300,000	320,000
Advertisement & Publicity	163,613	108,933
MVAT Paid	3,833,670	-
Total	11,860,834	8,889,845

i) Payment to Auditors

Particulars	As at 31st March 2013	As at 31st March 2012
Statutory Audit fees	600,190	551,500
Certification & Other Services	187,051	391,565
Taxation Matters	134,832	-
Total	922,073	943,065



Schedule "1"

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 guidance notes and the relevant provisions of Companies Act, 1956. The accounting Policies have been consistently applied by the company with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of 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 accumulated depreciation and impairment loss, if any, Cost comprises of the purchase price & other attributable cost/ expense incurred towards bringing the assets to its working condition for its intended use.

(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 to the Statement of Profit and Loss 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 which are readily realizable and intended to be held for not more than 12 months from the date such investments are made, are classified as Current Investments. All the other Investments are classified as Non-Current Investment.

Non-Current Investments are carried at Cost. Cost comprises purchase price and other directly attributable acquisition charges such as brokerage, fees & duties, etc. Profit or loss on sale of investments is recorded at the time of transfer of title from the company and is determined as the amount of difference between the sale proceeds and carrying value of investments as on that date.

Provision for diminution in value of Long Term Investments is made only if such a decline is other than temporary.

(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 taking into a/c the amount outstanding and the rate applicable.
- (iii) Dividend income is recognized when the right to receive dividend is established and / or actual receipts.

Expenses

All other revenue expenses are charged to profit and loss account accounted on accrual basis, except, the expenses pertaining to specific real estate projects are considered as paid towards work in progress until the specific project is completed and revenue is recognized.

(i) Borrowing Cost

The borrowing costs that are directly attributable to the acquisition / construction of properties which require substantial period of time for completion is capitalized to the extent such cost is specifically ascertainable as incurred for a particular project. The costs which are not directly attributable as incurred for particular project is treated as revenue expenditure. All other borrowing costs are charged to Profit and loss account in the year in which it is incurred.

(j) Retirement Benefits

The Company has changed its policy for retirement benefits from cash basis to mercantile i.e. the Company provides liability for Gratuity as per Payment of Gratuity Act, 1972. The Gratuity benefits are recognized as expense in Profit & Loss account for the year in which the employee has rendered services.

**(k) Taxation**

Provision for Current Income Tax is made after taking into consideration the benefits admissible under the Provisions of the Income Tax Act, 1961.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter deferred tax assets or deferred tax liabilities are recorded for the timing differences, namely, the differences that originate in one accounting period and reverse in another based on the tax effect of the aggregate amount of the timing difference. The tax effect is calculated on the accumulated timing differences based upon enacted or substantially enacted regulations.

Deferred Tax Assets other than those relating to unabsorbed depreciations and carried forward business losses are recognized only if there is a reasonable certainty that they will be realized and they are reviewed for the appropriateness of their respective carrying values at each reporting date.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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

The tax rates and laws used to compute the amount are those that are enacted or substantively enacted as on the Balance Sheet date.

(l) Provisions and Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Note: 25**Other additional disclosures****i. Contingent Liabilities :**

Corporate Guarantees given to the bankers by the Company on behalf of the Wholly Owned Subsidiary Company Sea-King Club Private Ltd in respect of Credit facilities availed aggregating to ₹ 50 crores (₹ 6.59 crores withdrawn till 31.03.2013 by Subsidiary Company) (P.Y. ₹ 6.59crores)

The Income Tax Department has appealed against the order of Commissioner of Income Tax (Appeals) for A.Y. 2007-08 to the Income Tax Appellate Tribunal (ITAT). The decision of ITAT is awaited. Therefore, the Liability of Tax and interest thereon if any, is unascertainable

ii. Capital Commitments:

The Company does not have any capital commitments as on 31.03.2013

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

The Company has provided ₹ 105 lacs towards proposed commission to chairman for the year 2013.

iv. Foreign Exchange Earnings & Outgo:

Additional Information pursuant to provisions of Para 3 and 4 of Schedule VI of the Companies Act, 1956.

In ₹

	Particulars	2012 – 2013	2011 - 2012
a)	Expenditure in Foreign Exchange (Travelling)	346,708	Nil
b)	Earnings in Foreign Exchange	Nil	Nil

v. Segment Reporting:

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).

vi. Related Parties Disclosures as per AS-18 issued by ICAI:**(A) Key Management Personnel/ Relative:**

Name of Persons	Designation
(i) Shri. Padamshi L. Soni	Chairman
(ii) Shri. Manish P. Soni	Whole Time Director
(iii) Shri. Vishal P. Soni	Whole Time Director
(iv) Shri. Alok A. Chowdhury	Whole Time Director & CEO

(B) Enterprises where key managerial personnel /relative exercise significant influence:

Name of the Enterprise	Nature of Relationship
(i) M/s. Prime Property Developers	Shri Padamshi Soni , Proprietor
(ii) M/s Sea-King Club Private Limited	Wholly-owned Subsidiary Company

**(C) Transactions with Related Parties:**

In ₹

Particulars	31.3.2013	Maximum outstanding during the year	31.3.2012
	₹	₹	₹
(i) Loans taken during the year - M/s Prime Property Developers - Shri. Padamshi L. Soni	176,170,000/- 5,100,000/-	225,280,000/- 5,100,000/-	120,480,000 Nil
(ii) Loans given during the year - M/s Sea-King Club Private Limited	31,009,337/-	31,009,337/-	21,766,705/-
(iii) Interest Paid on Loan - M/ s Prime Property Developers - Shri. Padamshi L. Soni	26,468,723/- 132,041/-		16,127,535/- Nil
(iv) Remuneration to Directors - Shri.Alok A. Chowdhury - Shri. Manish P. Soni - Shri. Vishal P. Soni	1,851,000/- 1,851,000/- 1,851,000/-		1,850,000/- 1,850,000/- 1,850,000/-
(v) Proposed Commission to Chairman	10,500,000/-		NIL

Note: Related Party Relationships are identified by the Company and relied upon by the Auditors

vii. Details of Managerial Remuneration:

In ₹

Particulars	2012 – 2013	2011 - 2012
Salaries to Executive Directors	5,553,000	5,550,000
Director's Sitting Fees	300,000	320,000
Commission to Chairman (Proposed)	10,500,000	Nil
Total	16,353,000	5,870,000

viii. Earnings Per Share as per Accounting Standard 20 issued by ICAI

In ₹

Particulars	2012 – 2013	2011 - 2012
Net Profit / (Loss) After Tax	96,971,464	(25,809,159)
Number of Equity Shares (Nominal Value of ₹ 5/-each)	20,000,000	20,000,000
Basic & Diluted Earnings Per Share	4.85	(1.29)

ix) Miscellaneous

- Company does not have agreement with employee for any retirement benefits. The gratuity liability till date has been estimated by the management as per the Payment of Gratuity Act. However, the Company is still in process of obtaining the actuarial valuation report and makes its investment.
- The Company has reclassified & regrouped previous year's figures to conform to this year's classification.

Signatures to Schedules

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: 25th May, 2013

For and on behalf of the Board of Directors

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: 25th May, 2013



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY AS OF 31st MARCH 2013

1	Name of the Subsidiary Company (Incorporated in State of Maharashtra)	Sea-King Club Private Limited
2	Financial Period of the Subsidiary ended on	31/03/2013
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 ₹266,760,630/-)	267,691,249
7	Total Assets	365,122,191
8	Total Liabilities	365,122,191
9	Investments (at Costs)	-
10	Gross Revenue	Nil
11	Net Aggregate Profit / (Loss) for the Current Year (Before Taxes)	(880,143)
12	Provision for Taxation (Including Deferred Taxes)	(201,983)
13	Profit / (Loss) After Tax	(678,160)



INDEPENDENT AUDITORS REPORT

To,
The Board of Directors

PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED** ('the Company') and its Subsidiary (collectively referred to as 'the Group'), which comprise the consolidated Balance Sheet as at 31 March 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2013;
- b. in the case of the Consolidated Statement of Profit and Loss, of the profit 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.

Other Matters

We did not audit the financial statements of the wholly owned subsidiary whose financial statements reflect total assets of ₹36,51,22,191/- as at March 31, 2013, total revenue of ₹4,787/- and net cash flows amounting to (₹1,02,970)/- for the year ended on that date. These financial statements have been audited by other auditors, whose report has been furnished to us and our opinion, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of 'Other Matters'.

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

**MAYUR A. VORA
PARTNER**

(Membership No.: 30097)

**Place: Mumbai
Date: 25th May, 2013**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013**

(Figures in Rupees)

Particulars	Note	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	100,000,000	100,000,000
Reserves and Surplus	3	595,200,792	523,663,898
Non-Current Liabilities			
Long-term borrowings	4	45,858,060	186,366,885
Deferred tax liabilities (Net)	5	27,628,900	3,065,785
Other Long term liabilities	6	48,800,000	45,000,000
Current Liabilities			
Trade payables	7	36,093,449	16,891,640
Other Current Liabilities	8	323,712,866	550,912,655
Short-term provisions	9	34,276,000	11,650,000
TOTAL		1,211,570,068	1,437,550,863
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		291,772,328	296,686,756
Capital Work-in-Progress		310,731,182	275,286,947
Goodwill on Consolidation		23,452,803	23,452,803
Non-Current Investments	11	14,031,476	14,031,476
Deferred tax Assets (net)	12	1,327,584	1,125,602
Long-term Loans and Advances	13	55,466,051	60,291,015
Current Assets			
Inventories	14	-	753,694,904
Trade Receivables	15	501,700,000	1,700,000
Cash and Cash Equivalents	16	6,271,983	5,470,456
Short-term Loans and Advances	17	6,699,145	3,092,887
Other Current Assets	18	117,515	2,718,018
TOTAL		1,211,570,068	1,437,550,863

Notes are integral part of the Financial Statements

Significant Accounting Policies

1

Other Additional Disclosures

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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: 25th May, 2013

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: 25th May, 2013



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Figures in Rupees)

Particulars	Refer Note No.	2012 - 2013	2011 - 2012
Revenue from operations	19	1,035,000,000	Nil
Other Income	20	1,464,261	682,211
Total Revenue		1,036,464,261	682,211
Expenses:			
Cost of materials consumed	21	68,300,164	91,666,676
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	753,694,904	(91,666,676)
Employee benefits expense	23	24,304,065	9,266,940
Finance costs	24	27,531,296	19,808,925
Depreciation and amortization expense	10	3,402,518	4,630,263
Other expenses	25	12,726,318	10,192,092
Total Expenses		889,959,265	43,898,220
Profit / (Loss) before exceptional and extraordinary items and tax		146,504,997	(43,216,009)
<u>Exceptional & Extraordinary items</u>			
Loss on Impairment of Fixed Assets		5,820	1,324,377
Profit / (Loss) before tax		146,499,177	(44,540,386)
Tax Expense:			
(1) Current tax		31,031,500	27,500
(2) MAT Credit Entitlement		(6,034,000)	-
(3) Short / Excess for earlier years		847,241	(2,033,280)
(4) Deferred tax		24,361,132	(14,344,215)
Profit / (Loss) for the period		96,293,304	(28,190,392)
Earnings per Equity Share (Basic & Diluted)			
Face Value of ₹ 5/- each		4.81	(1.41)

Notes are integral part of the Financial Statements

Significant Accounting Policies
Other Additional Disclosures

1
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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	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: 25th May, 2013

Place : Mumbai
Date: 25th May, 2013

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

PARTICULARS	CURRENT YEAR (in ₹)	PREVIOUS YEAR (in ₹)
I CASH FLOW FROM OPERATING ACTIVITIES	146,499,177	(44,540,386)
Net Profit / (Loss) before Tax and Extraordinary items		
Adjustment for:		
Depreciation	3,402,518	4,630,263
Interest Income	(282,399)	(404,547)
Dividend Income	(55,073)	(64,340)
Provision for Gratuity	3,800,000	-
(Profit) / Loss on Sale of Fixed Assets / Investment	-	(10,681)
Loss on Impairment of Fixed Assets	-	1,324,377
Investment Written Off	-	5,500
	6,865,046	5,480,572
Less: Income taxes paid	153,364,223	39,059,814
	18,372,436	(2,284,968)
Operating Profit Before Working Capital Changes	(134,991,787)	(36,774,846)
(Increase) / Decrease in Inventories	753,694,904	(91,666,676)
(Increase)/ Decrease in Loans and Advances & Current Assets	(492,649,097)	(432,709)
Increase/ (Decrease) in Trade Payables & Current Liabilities	(207,997,979)	273,925,719
	53,047,828	181,826,334
Cash generated from / (Used in) operations (A)	188,039,615	145,051,488
II NET CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(35,444,235)	(76,873,619)
Sale of Fixed Assets	-	334,319
Dividend Income	55,073	64,340
Interest Income	282,399	404,547
Profit / (Loss) on Sale of Fixed Assets / Investment	-	10,681
Net cash used in Investing activities (B)	(35,106,763)	(76,059,732)
III CASH FLOW FROM FINANCIAL ACTIVITIES		
Secured Loans taken / (repaid)	(20,028,825)	(108,105,070)
Unsecured Loans taken / (repaid)	(120,480,000)	51,875,000
Dividend Paid	(10,000,000)	(10,000,000)
Tax Paid on above dividend	(1,622,500)	(1,660,875)
Net cash generated from Financial Activities (C)	(152,131,325)	(67,890,945)
NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C)	801,527	1,100,811
Cash and Cash Equivalent (Opening Balance)	5,470,456	4,369,644
Cash and Cash Equivalent (Closing Balance)	6,271,983	5,470,456

Notes:

- 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.
- Purchase of Fixed Assets includes movement of Capital Work in Progress during the year.
- Cash and Cash Equivalents includes Cash and Bank Balance.
- Figures of Previous years have been regrouped and rearranged wherever necessary to conform with Current Years classification.

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

MAYUR A VORA
PARTNER
(Membership No.: 30097)

Place : Mumbai
Date: 25th May, 2013

FOR AND ON BEHALF OF BOARD

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: 25th May, 2013



NOTES FORMING PART OF ACCOUNTS

Note 2 Share Capital

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
<u>Authorised</u> 4,00,00,000 Equity Shares of ₹5/-each (P.Y. 400,00,000 Equity Shares of ₹ 5/- each)	200,000,000	200,000,000
<u>Issued, Subscribed & Fully Paid up</u> 20,000,000 Equity Shares of ₹5/-each (P.Y. 20,000,000 Equity Shares of ₹ 5/- each)	100,000,000	100,000,000
Total	100,000,000	100,000,000

a) Reconciliation of Number of Shares Outstanding at the beginning & end of the year

Equity Shares (F.V. of ₹ 5/- each)	As At 31st March 2013		As At 31st March 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	20,000,000	100,000,000	20,000,000	100,000,000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	20,000,000	100,000,000	20,000,000	100,000,000

b) Details of Share holders holding greater than 5% of Equity Share Capital

Name of Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shri Padamshi L. Soni	9,751,925	48.76%	9,751,925	48.76%
Smt. Prabhavati P. Soni	1,777,422	8.89%	1,777,422	8.89%
Minal Finances Pvt.Ltd.	1,146,169	5.73%	1,146,169	5.73%

The above Share Holdings are as per the Register of Members

c) Terms / Rights attached to the equity shares

The Company has only one class of Equity Shares having a par value of ₹ 5/- per share. Each Share Holder is eligible for one vote per share held. The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the unlikely event of liquidation of the Company, the holders of the Equity Shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the equity shareholders.

Note 3 Reserves and Surplus

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
a) General Reserves		
As per last balance sheet	76,650,000	76,650,000
(+) Current Year Transfer	7,500,000	-
	84,150,000	76,650,000
b) Surplus/(Deficit) in statement of profit and loss		
Opening balance	447,013,898	488,418,274
(+) Net Profit/(Net Loss) For the current year	96,293,304	(28,190,391)
(-) Proposed Dividends	20,000,000	10,000,000
(-) Provision for Tax on Dividend	3,244,500	1,622,500
(-) Depreciation against Revaluation Reserve	1,511,910	1,591,484
(-) Transfer to Reserves	7,500,000	-
Closing Balance	511,050,792	447,013,898
Total	595,200,792	523,663,898

**NOTES FORMING PART OF ACCOUNTS****Note 4 Long Term Borrowings**

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Secured		
(a) Term loans		
i) from banks ##	45,858,060	65,886,885
ii) from other parties	-	-
	45,858,060	65,886,885
Unsecured considered good		
(a) Loans and advances from related parties (@)	-	120,480,000
	-	120,480,000
Total	45,858,060	186,366,885

@ The Company has taken a loan @ 15% p.a interest, from a concern in which director is interested.

(Loans from Banks are secured by registered mortgage in favour of the Company's bankers of the land admeasuring 1,251 yards at Juhu, Mumbai & Hotel building. The loan is also guaranteed by personal guarantees of Shri .P.I. Soni, Shri Manish P. Soni and Shri Vishal P. Soni, Promoter Directors of the Company. Loan is Sanctioned for ₹ 50 crores and rate of interest as on 31.03.2013 is 12.95% p.a. Repayment will start from January 2014 and end in September 2018. It will be paid through quarterly instalments i.e. First two instalments of ₹100 lacs each, next six instalments of ₹ 200 Lacs each and the balance amount in twelve Instalment of ₹ 300 Lacs each.)

Note 5 Deferred Tax Liabilities (Net)

In accordance with Accounting Standard 22, relating to "Accounting on Taxes on Income", the provision for deferred tax asset and liability of ₹ 24,563,115/- has been shown as income for the Current year. The component of deferred tax liability and assets is as under;

In ₹

Particulars	Opening as on 01/4/2012	Provision for the year	Closing as on 31.03.2013
Fixed Assets / Depreciation	(29,186,620)	239,116	(28,947,504)
Short Term Loss on Shares	85,504	-	85,504
Business Loss	26,035,331	(26,035,331)	-
Gratuity	-	1,233,100	1,233,100
Total	(3,065,785)	24,563,115	(27,628,900)

Note 6 Other Long Term Liabilities

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
(a) Others	45,000,000	45,000,000
(b) Provision for Gratuity	3,800,000	-
Total	48,800,000	45,000,000

Note 7 Trade Payables

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Others #	36,093,449	16,891,640
Total	36,093,449	16,891,640

There are no dues to any Micro Small & Medium Enterprise



NOTES FORMING PART OF ACCOUNTS

Note 8 Other Current Liabilities

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
<u>Current Maturity of Long Term Borrowings</u>		
Secured		
i) Term Loan from Banks	20,000,000	99,926,915
ii) Vehicle Loan	-	2,450,375
	20,000,000	102,377,290
<u>Loan from Related parties</u>		
Prime Property Developers	176,170,000	-
Unclaimed Dividend	1,996,764	2,135,112
Other Liabilities	115,000,000	445,000,000
<u>Other Payable</u>		
Payable towards TDS under Income Tax	2,459,452	707,036
Payable towards Profession Tax	2,475	2,100
Payable to Employees	-	584,400
Outstanding Expenses	126,085	106,717
Commission to Chairman (Net)	7,958,091	-
	303,712,866	448,535,365
Total	323,712,866	550,912,655

Note 9 Short Term Provision

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Others		
Provision for Taxation (Net)	11,031,500	27,500
Proposed Dividend	20,000,000	10,000,000
Provision for Tax on Proposed Dividend	3,244,500	1,622,500
Total	34,276,000	11,650,000


Note 10: Fixed Assets

Fixed Assets	Gross Block (at Cost)				Depreciation				Net Block (W. D. V)		
	Rate	"As at 01.04.2012"	Additions	(Deductions / Adjustments)	Revaluations/ (Impairments)	"As at 31.03.2013"	Charge for the year	Adjustment due to re-valuations/ Impairments	(Deductions/ Adjustments)	"As at 31.03.2013"	"As at 31.03.2012"
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets											
Land & Buildings	5.00%	294,912,445	-	-	-	294,912,445	2,407,084	-	-	283,761,236	286,168,320
Furniture and Fixtures	18.10%	5,205,562	-	-	-	5,205,562	296,384	-	-	1,341,099	1,637,483
Vehicles #	25.89%	23,889,543	-	-	-	23,889,543	2,080,684	-	-	5,955,953	8,036,637
Office & Other Equipment	13.91%	1,976,166	-	-	-	1,976,166	110,596	-	-	684,517	795,113
Computers	40.00%	1,702,247	-	-	-	1,702,247	19,680	-	-	29,523	49,203
Total		327,685,963	-	-	-	327,685,963	4,914,428	-	-	291,772,328	296,686,756
Capital Work In Progress ***											
i) Prime Business Park, Vile Parle (W)		202,517,392	26,710,276	-	-	229,227,668	-	-	-	215,034,795	188,324,519
ii) Hotel Golden Manor		86,962,428	8,733,959	-	-	95,696,387	-	-	-	95,696,387	86,962,428
Total		289,479,820	35,444,235	-	-	324,924,055	-	-	-	310,731,182	275,286,947
Total		617,165,783	35,444,235	-	-	652,610,018	4,914,428	-	-	602,503,510	571,973,703

Note:

The Vehicles are registered with RTO in the name of a Director.

*** Includes expenses of ₹ 26,710,276/-incurred on the property at Vile Parle (W) during the year, which is under the Fixed Assets block, and no depreciation is charged on the property being Capital Work in Progress.

*** Includes expenses of ₹ 8,733,959/-incurred on the Hotel property at Vile Parle (W) during the year, which is under the Capital Work in Progress.

Impairment of Assets
 Disclosure of Impairment of Assets for subsequent 5 years from the date of Impairment

Particulars	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
Asset details:					
Revaluation of Assets					
Land & Building					
Balance as at 1 April	309,505	272,708,076	272,708,076	272,708,076	272,708,076
(Impairment)/ Revaluation	272,398,571	-	-	-	-
Balance as at 31 March	272,708,076	272,708,076	272,708,076	272,708,076	272,708,076
Less: Accumulated Depreciation till 31 March	874,581	2,564,926	4,170,754	-	-
Balance as at 31 March	271,833,495	270,143,150	268,537,322	-	-
Total Amount of Impairment of Assets F.Y. 2011-2012					
					1,324,377

Disclosure pursuant to Note no.I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Year	
	2009-10	2010-11
Asset details:		
Revaluation of Assets		
Land & Building		
Balance as at 1 April	309,505	272,708,076
(Impairment)/ Revaluation	272,398,571	-
Balance as at 31 March	272,708,076	272,708,076
Less: Accumulated Depreciation till 31 March	874,581	2,564,926
Balance as at 31 March	271,833,495	270,143,150
Total Amount of Impairment of Assets F.Y. 2011-2012		
		1,324,377



NOTES FORMING PART OF ACCOUNTS

Note 11: Non Current Investment

Sr. No.	Particulars	No. of Shares / Units		Amount (₹)	
		2013	2012	2013	2012
(a)	Investment in Equity Instruments (fully paid up)				
	i) Quoted Investment at Cost				
	Surana Industries Limited	250	250	27,111	27,111
	Rathi Steel & Power Limited	2,220	2,220	437,481	437,481
	Reliance Power Limited	6,000	6,000	1,474,079	1,474,079
	Hubtown Limited (Ackruti City Limited)	10,821	10,821	6,040,899	6,040,899
	Alok Industries Limited	30,000	30,000	673,350	673,350
	Essar Oil Limited	7,909	7,909	1,212,392	1,212,392
	The India Cements Limited	13,500	13,500	1,771,904	1,771,904
	JSW Ispat Steel Limited	10,000	10,000	251,163	251,163
	Jaiprakash Associates Limited	5,250	5,250	755,581	755,581
	Punj Lyod Limited	500	500	129,581	129,581
	Reliance Industries Limited	312	312	305,950	305,950
	Global Offshore Services Limited	2,000	2,000	379,473	379,473
	Suzlon Energy Limited	6,000	6,000	572,513	572,513
	Total Investment in Quoted Shares			14,031,476	14,031,476
	Market Value on Quoted Shares			4,805,331	6,374,573
	Total			14,031,476	14,031,476

No provision is made for diminution in value of Investments, which are considered as Long Term in nature by the Management

Note 12: Deferred Tax Assets (Net)

In accordance with Accounting Standard 22, relating to "Accounting on Taxes on Income", the deferred tax asset of ₹ 2,01,983/- for the current year has been shown as income for the Current year. The component of deferred tax assets is as under;

In ₹

Particulars	Opening as on 01/4/2012	Provision for the year	Closing as on 31.03.2013
Fixed Assets	336,586	(65,771)	270,815
Unabsorbed Business losses	789,015	267,754	1,056,769
Total	1,125,601	201,983	1,327,584

Note 13: Long Term Loans and Advances

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
<u>Unsecured, considered good</u>		
a. Security Deposits	113,627	4,938,591
b. Advance Income Tax	352,424	352,424
c. Other loans and advances	55,000,000	55,000,000
Total	55,466,051	60,291,015

**NOTES FORMING PART OF ACCOUNTS****Note 14: Inventories
(As Certified by the Management)**

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Work in Progress (at Cost)	-	753,694,904
Total	-	753,694,904

Note 15: Trade Receivables

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
<u>Other Receivables</u> Unsecured, considered good More than six months	501,700,000	1,700,000
Total	501,700,000	1,700,000

Note 16: Cash and Cash Equivalents

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
a. Balances with banks		
Current Account	2,254,914	1,439,414
Unpaid Dividend Account	1,996,764	2,135,112
b. Cash on hand	2,020,306	1,895,930
Total	6,271,983	5,470,456

Note 17: Short Term Loans and Advances

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Unsecured, considered good		
a. Loans and advances to related parties	485,945	2,976,687
b. Staff Advances	179,200	116,200
c. MAT Credit Entitlement	6,034,000	-
Total	6,699,145	3,092,887

Note 18: Other Current Asset

Particular	As at 31st March 2013	As at 31st March 2012
	₹	₹
Others	7,567	10,939
Income Tax Refund Due	76,711	2,579,016
Prepaid Expenses	33,237	128,063
Total	117,515	2,718,018



NOTES FORMING PART OF ACCOUNTS

Note 19: Revenue from Operations

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Income from Sale	1,035,000,000	-
Total	1,035,000,000	-

Note 20: Other Income

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Interest Income on FD	-	383,547
Interest on IT Refund	282,399	21,000
Dividend Income	55,073	64,340
Net gain/loss on sale of Fixed Assets	-	85,402
Other non-operating income	29,744	127,922
Sundry Balance Written Back	1,097,045	-
Total	1,464,261	682,211

Note 21: Cost of Material Consumed

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Cost of material consumed	68,300,164	91,666,676
Total	68,300,164	91,666,676

Note 22: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Inventories at the end of the year:		
Work-in-progress	-	753,694,904
Inventories at the beginning of the year:		
Work-in-progress	753,694,904	662,028,228
Total	753,694,904	(91,666,676)

Note 23: Employees Benefit Expenses

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
(a) Salaries and incentives		
Directors salary & Incentives	5,553,000	5,550,000
Salary to staff	4,234,900	3,271,333
Proposed Commission to Chairman	10,500,000	-
(b) Staff welfare expenses	216,165	445,607
(C) Gratuity		
for prior period	3,200,000	-
for current Year	600,000	-
Total	24,304,065	9,266,940

**NOTES FORMING PART OF ACCOUNTS****Note 24: Finance Expenses**

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Interest expense	27,531,296	19,808,925
Total	27,531,296	19,808,925

Note 25: Other Expenses

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Power and Fuel	666,389	627,809
Repairs and maintenance - Others	186,663	201,834
Rates and taxes	220,939	1,022,783
Communication	224,994	226,704
Travelling and Conveyance	425,798	694,437
Printing and stationery	178,393	160,903
Business promotion	395,165	1,421,922
Donation and contributions	70,800	553,876
Legal and professional	2,341,953	1,540,126
Payment to Auditors (Refer i)	955,163	976,155
"Provision for doubtful trade and other receivables , loan and advances (net)"	282,312	-
AGM Expenses	13,180	61,864
Motor Car Expenses	666,819	198,597
Membership & Subscription	33,667	23,312
Security, Watch & Ward Expenses	1,434,258	1,704,439
Cleaning Charges	133,695	15,000
Bank Charges	36,560	136,816
Other Misc. expenses	160,176	115,951
Books and Periodicals	2,112	410
Directors sitting fees	300,000	320,000
Advertisement & Publicity	163,613	108,933
Investment Written off	-	5,500
Loss on sale of Fixed Assets	-	74,721
MVAT Paid	3,833,670	-
Total	12,726,318	10,192,092

i) Payment to Auditors

Particulars	As at 31st March 2013	As at 31st March 2012
Statutory Audit fees	633,280	584,590
Certification & Other Services	187,051	391,565
Taxation Matters	134,832	-
Total	955,163	976,155



“NOTE 1”

Significant Accounting Policies to the Consolidated Accounts
SIGNIFICANT ACCOUNTING POLICIES

1. Principles of consolidations

The consolidated financial statements relate to Prime Property Development Corporation Limited (“the Company”) and its subsidiary company, Sea-King Club Private Limited. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are 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”
- b) 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.
- c) 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.

2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.
3. 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. 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.

4. Other Significant accounting policies

These are set out under “Significant Accounting Policies” as given in the Company’s standalone financial statements.

NOTES: 26

1. 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%

2. As company holds 100% interest in Subsidiary, Minority interest does not exist.
3. There are no investments in associates as defined by AS 23 for “Accounting for Investment in associates in consolidated financial statements”, issued by ICAI.
4. While consolidating, Revaluation reserve of subsidiary company has been set off against cost of Investment; so depreciation of ₹ 15,11,910/- (P.Y. 15,91,484/-) 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.
5. There is no disposal of Investment in subsidiary company during the year.
6. 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.

7. Contingent Liabilities

Corporate Guarantees given to the bankers by the Company on behalf of the Wholly Owned Subsidiary Company Sea-King Club Private Ltd in respect of Credit facilities availed aggregating to ₹ 50 crores (₹ 6.59 crores withdrawn till 31.03.2013 by Subsidiary Company) (P.Y. ₹ 6.59 crores)



8. Managerial Remuneration: (Included under the head "Payments to and Provisions for Employees") Remuneration to Managing Director / Executive Directors

(In ₹)

Particulars	2012 - 2013	2011 - 2012
Salaries to Executive Directors	5,553,000	5,550,000
Director's Sitting Fees	300,000	320,000
Commission to Chairman (Proposed)	10,500,000	Nil
Total	16,353,000	5,870,000

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

(In ₹)

Particulars	2012 - 2013	2011 - 2012
Net Profit / (Loss) After Tax (after adjustment for Extraordinary items)	96,293,304	(28,190,392)
Number of Equity Shares (Nominal Value of ₹ 5/- each)	20,000,000	20,000,000
Weighted Earnings per share(after adjustment for Extraordinary items) (Basic & Diluted)	4.81	(1.41)

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

(A) Key Management Personnel:

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

(B) Enterprises where key managerial personnel /relative exercise significant influence:

Name of the Enterprise	Nature of Relationship
(i) M/s. Prime Property Developers	Shri Padamshi Soni , Proprietor

(C) Transactions with Related Parties:

Particulars	31.3.2013	Maximum outstanding during the year	31.3.2012
	₹	₹	₹
(i) Loans taken during the year			
- M/s Prime Property Developers	176,170,000/-	225,280,000/-	120,480,000
- Shri. Padamshi L. Soni	5,100,000/-	5,100,000/-	Nil
(ii) Interest Paid on Loan			
M/ s Prime Property Developers	26,468,723/-	NIL	16,127,535/-
Shri. Padamshi L. Soni	132,041/-		Nil
(iii) Remuneration to Directors			
Shri Alok A. Chowdhury	1,851,000/-		1,850,000/-
Shri Manish P. Soni	1,851,000/-		1,850,000/-
Shri Vishal P. Soni	1,851,000/-		1,850,000/-
(iv) Proposed Commission to Chairman	10,500,000/-		Nil



Note: Related Party Relationships are identified by the Company and relied upon by the Auditors

11. 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.

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

		(In ₹)					
	Particulars	Property Development		Hotel		Total	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
1	Segment Revenue						
	External Turnover	1,035,000,000	0	0	0	1,035,000,000	0
	Inter Segment Turnover						
	Total Direct Turnover	1,035,000,000	0	0	0	1,035,000,000	0
2	Other Income	1,459,474	682,211	4,787	0	1,464,261	682,211
3	Gross Revenue	1,036,459,474	682,211	4,787	0	1,036,464,261	682,211
4	Segment Result before Interest and taxes	174,910,616	-21,785,544	-874,323	-1,621,540	174,036,293	-23,407,084
	Less: Interest Expenses	27,531,296	19,808,925	0	0	27,531,296	19,808,925
	Less: Exceptional Item	0	0	-5,820	1,324,377	-5,820	1,324,377
	Profit /(Loss) Before Tax	147,379,320	-41,594,469	-880,143	-2,945,917	146,499,177	-44,540,386
	Less: Current Tax	31,031,500	27,500	0	0	31,031,500	27,500
	Less: MAT Credit Entitlement	-6,034,000	0	0	0	-6,034,000	0
	Less: Short / Excess for earlier years	847,241	-2,033,280	0	0	847,241	-2,033,280
	Less: Deferred Tax	24,563,115	-13,779,530	-201,983	-564,685	24,361,132	-14,344,215
	Profit/(Loss) After Tax	96,971,464	-25,809,159	-678,160	-2,381,232	96,293,304	-28,190,391
5	Other Information						
	Segment Assets	822,995,074	1,055,997,842	365,122,191	358,100,219	1,188,117,265	1,414,098,062
	Segment Liabilities	450,447,671	747,934,770	65,921,605	65,952,195	516,369,276	813,886,965
	Depreciation	3,388,892	4,310,970	13,626	319,293	3,402,518	4,630,263

- 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 require to give segment reporting for its standalone results.



(iii) Whole group activity conducted in only one geographical segment 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

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

MAYUR A. VORA
PARTNER
(Membership No. 30097)

PLACE: MUMBAI
DATE: 25th May, 2013

Signatures to Schedules

On behalf of the Board of Directors

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: 25th May, 2013



PRIME PROPERTY DEVELOPMENT CORPORATION LIMITED

Registered Office: 101, Soni House, Plot No. 34,
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 21st Annual General Meeting of the Company to be held, on Monday, September 30, 2013 at 101, Soni House, Plot No.34, Gulmohar Road No.1, JVPD Scheme, Vile Parle (West), Mumbai- 400049 at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____, 2013.



Folio No/ Demat Account No: _____

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, 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 21st Annual General Meeting of the Company at 101, Soni House, Plot No.34, Gulmohar Road No.1, JVPD Scheme, Vile Parle (West), Mumbai- 400049, on Monday, 30th day of September, 2013 at 11.30 a.m.

Folio No/ Demat Account No. : _____

Full name of the Shareholder/Proxy : _____

(IN BLOCK LETTERS)

Signature:

Members/Proxy holders are requested to bring their Attendance slip duly completed and signed along with their copy of Annual report to the Meeting.



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Property Development Corporation Ltd.

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

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