



HLBTOWN

ANNUAL REPORT  
2015 - 2016

# HUBTOWN

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

HEMANT M. SHAH	Executive Chairman
ARVIND KUMAR JOSHI	(upto April 29, 2016)
ABHIJIT DATTA	
SUNIL C. SHAH	
PRITI K. SHAH	
VYOMESH M. SHAH (VIMAL M. SHAH)	Managing Director

### STATUTORY AUDITORS

DALAL DOSHI & ASSOCIATES Chartered Accountants

### COST AUDITORS

D. C. DAVE & CO. Cost Accountants

### INTERNAL AUDITORS

MAHAJAN & AIBARA Chartered Accountants

### SECRETARIAL AUDITORS

ASHISH BHATT & ASSOCIATES Company Secretaries

## COMMITTEES OF THE BOARD

### AUDIT AND COMPLIANCE COMMITTEE

ABHIJIT DATTA	Chairman
ARVIND KUMAR JOSHI	(upto April 29, 2016)
SUNIL C. SHAH	
VYOMESH M. SHAH	

### NOMINATION AND REMUNERATION COMMITTEE

ABHIJIT DATTA	Chairman
ARVIND KUMAR JOSHI	(upto April 29, 2016)
SUNIL C. SHAH	
HEMANT M. SHAH	

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

ARVIND KUMAR JOSHI	Chairman (upto April 29, 2016)
SUNIL C. SHAH	
PRITI K. SHAH	

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

HEMANT M. SHAH	Chairman
SUNIL C. SHAH	
VYOMESH M. SHAH	

### RISK MANAGEMENT COMMITTEE

ARVIND KUMAR JOSHI	Chairman (upto April 29, 2016)
ABHIJIT DATTA	
HEMANT M. SHAH	
VYOMESH M. SHAH	

### CHIEF FINANCIAL OFFICER

ANIL AHLUWALIA

### COMPANY SECRETARY

CHETAN S. MODY

### REGISTERED OFFICE

'ACKRUTI CENTER POINT', 6TH FLOOR  
CENTRAL ROAD, MAROL MIDC  
ANDHERI (EAST), MUMBAI 400 093  
CIN : L45200MH1989PLC050688  
Phone : 022 66830400  
Fax : 022 66830602  
Investor E-mail : investorcell@hubtown.co.in  
Website : www.hubtown.co.in

### REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED  
C-13, PANNALAL SILK MILLS COMPOUND  
LAL BAHADUR SHASTRI MARG  
BHANDUP (WEST), MUMBAI 400 078  
Phone : 022 25963838  
Fax : 022 25946969  
e-mail : rnt.helpdesk@linkintime.co.in  
Website : www.linkintime.co.in

### BANKERS

BANK OF MAHARASHTRA  
CANARA BANK  
DENA BANK  
ORIENTAL BANK OF COMMERCE  
UCO BANK  
UNION BANK OF INDIA  
UNITED BANK OF INDIA

### 28<sup>TH</sup> ANNUAL GENERAL MEETING

THURSDAY, SEPTEMBER 29, 2016 AT 10.00 A.M.  
'KILACHAND CONFERENCE ROOM', 2nd FLOOR  
CHURCHGATE, MUMBAI 400 020

Shareholders attending the AGM are requested to bring with them the enclosed ATTENDANCE SLIP

## HUBTOWN LIMITED

### NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF HUBTOWN LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 29, 2016, AT 10.00 A.M. AT 'KILACHAND CONFERENCE ROOM', 2ND FLOOR, INDIAN MERCHANTS' CHAMBER BUILDING, INDIAN MERCHANTS CHAMBER MARG, CHURCHGATE, MUMBAI - 400020 TO TRANSACT THE FOLLOWING BUSINESS :**

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements and the Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vyomesh M. Shah (DIN : 00009596), who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of the Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the Company hereby ratifies the appointment of M/s. Dalal Doshi & Associates, Chartered Accountants (Firm Registration No. 121773W) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held for the Financial Year 2016-2017, and the Board of Directors of the Company, based on the recommendations of the Audit and Compliance Committee, be and is hereby authorised to fix the remuneration payable to the Statutory Auditors in addition to reimbursement of out-of-pocket expenses incurred in connection with the audit of the accounts of the Company."

#### **SPECIAL BUSINESS :**

To consider and if thought fit, to pass with or without modification(s), the following resolutions:

#### **As an Ordinary Resolution :**

4. **REAPPOINTMENT OF MR. HEMANT M. SHAH AS WHOLETIME DIRECTOR DESIGNATED AS EXECUTIVE CHAIRMAN OF THE COMPANY**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee, consent of the members be and is hereby accorded to the appointment of Mr. Hemant M. Shah (DIN : 00009659) as Wholetime Director designated as Executive Chairman of the Company for a period of five years, with effect from January 1, 2017 to December 31, 2021, on the terms and conditions including remuneration as set out in the Explanatory Statement attached hereto, with authority to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the reappointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Hemant M. Shah;

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of Mr. Hemant M. Shah as Executive Chairman, the Company has no profits or its profits are inadequate, the remuneration, perquisites and other allowances payable shall be governed by the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### **As an Ordinary Resolution :**

5. **REAPPOINTMENT OF MR. VYOMESH M. SHAH AS MANAGING DIRECTOR OF THE COMPANY**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee, consent of the members be and is hereby accorded to the appointment of Mr. Vyomesh M. Shah (DIN : 00009596) as Managing Director of the Company for a period of five years, with effect from January 1, 2017 to December 31, 2021, on the terms and conditions including remuneration as set out in the Explanatory Statement attached hereto, with authority to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the reappointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Vyomesh M. Shah;

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of Mr. Vyomesh M. Shah as Managing Director, the Company has no profits or its profits are inadequate, the remuneration, perquisites and other allowances payable shall be governed by the limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time;

## NOTICE (CONTD.)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

### As an Ordinary Resolution :

#### 6. APPOINTMENT OF MR. SHIRISH GAJENDRAGADKAR AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the 'Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Shirish Gajendragadkar (DIN : 01681405) who was appointed by the Board of Directors as an Additional Director designated as an Independent Director on the Board of Directors of the Company with effect from July 28, 2016 and who holds office upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from July 28, 2016;

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

### As an Ordinary Resolution :

#### 7. RATIFICATION OF THE REMUNERATION PAYABLE TO THE COST AUDITORS OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to ratify the remuneration approved by the Board of Directors based on the recommendation of the Audit and Compliance Committee of ₹ 5,00,000/- (Rupees Five Lakhs) plus service tax as applicable and reimbursement of out-of-pocket expenses incurred during the course of audit payable to M/s. D. C. Dave & Co., Cost Accountants (Firm Registration No.: 000611), appointed as Cost Auditors by the Board of Directors of the Company to conduct audit of the cost records of the Company for the year ending March 31, 2017;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### As a Special Resolution :

#### 8. ISSUE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification/amendment thereto or re-enactment thereof for the time being in force), and subject to the relevant provisions of the Articles of Association of the Company, and subject to such other approvals, as may be necessary and subject to such modification(s) as may be prescribed while granting such approvals, which may be agreed to by the Board of Directors of the Company (the 'Board' which term shall include any Committee constituted by the Board of Directors or any person(s) authorised by the Board to exercise the powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board to make offer(s) or invitation(s) for subscription to secured/unsecured Non-convertible Debentures for an amount not exceeding ₹ 5,000 crores (Rupees Five Thousand Crores only) on private placement basis through issue of private placement offer letter, on such terms and conditions and to such person(s) as the Board may, from time to time, determine and consider proper and most beneficial to the Company including, without limitation, as to when the said Debentures are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilization of issue proceeds and all matter connected therewith or incidental thereto;

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/agreements including but not limited to the listing agreement/affidavits/declarations/undertakings as may be necessary in connection therewith and to do all such acts, deeds, matters and things as may be considered necessary or expedient, including appointment of intermediaries, arrangers, Registrars, Depositories, Trustees, Legal Advisors, Bankers and other appropriate entities and also to delegate all or any of the above powers to any officers/one or more directors/managing director or any other principal officer of the Company on such conditions as the Board may deem fit."

### Registered Office :

'Ackruti Center Point', 6th floor  
Central Road, Marol MIDC  
Andheri (East) Mumbai 400 093

By Order of the Board of Directors  
For **Hubtown Limited**

**Chetan S. Mody**  
Company Secretary  
FCS - 2196

Place : Mumbai  
Date : July 28, 2016

## NOTICE (CONTD.)

### Notes :

1. **A PERSON ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument of Proxy, in order to be effective, should be duly completed and lodged with the Company at its registered office not less than forty-eight hours before the scheduled time for commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to special business to be transacted at the AGM is annexed hereto.
4. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
5. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
7. Corporate members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote on their behalf at the said Meeting.
8. Members/Proxies/Representatives should bring the enclosed duly filled Attendance Slip, for attending the Meeting. Copies of the Annual Report or the Attendance Slip will not be distributed at the Meeting.
9. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Friday, September 23, 2016 to Thursday, September 29, 2016 (both days inclusive) in connection with the Annual General Meeting.
10. Members having any questions on the Annual Report are requested to send their queries atleast ten days before the Annual General Meeting, which will enable the Company to furnish the replies at the Annual General Meeting.
11. Members are requested :
  - a. to notify immediately any change in their registered addresses alongwith PIN CODE number to their respective Depository Participants (DPs) in respect of equity shares held in electronic form and to the Registrar and Share Transfer Agent of the Company at Link Intime India Private Limited in respect of equity shares held in physical form; and
  - b. to register their e-mail address and changes therein from time to time with Link Intime India Private Limited for shares held in physical form and with their respective Depository Participants for shares held in demat form.
12. Pursuant to the requirements of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief note on the background and the functional expertise of the Directors seeking appointment/reappointment at the ensuing Annual General Meeting is given in the Annexure to the Notice.
13. The Notice of the 28th Annual General Meeting and the Annual Report of the Company for the year 2015-2016 circulated to the members of the Company will also be made available on the Company's website [www.hubtown.co.in](http://www.hubtown.co.in) under Section 'Investors/Annual Report' and also on the website of the respective Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The physical copy of the Annual Report will also be available at the Registered Office of the Company for inspection during normal business hours on working days.
14. Members holding shares in demat/electronic form are hereby informed that bank particulars registered with their respective depository participants will be used by the Company for payment of dividend as and when declared. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participants of the members.
15. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Transfer Agent.

## NOTICE (CONTD.)

16. Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is mandatorily required to be transferred by the Company to the credit of 'Investor Education and Protection Fund' (IEPF) established by the Central Government under sub-section (1) of Section 125 of the said Act. In accordance with the above provisions, the unclaimed dividends that are due for transfer to IEPF are as under :

Sr. No.	Financial Year	Date of Declaration of Dividend	Tentative Date for transfer to IEPF
1.	2008 – 2009	27.08.2009	01.10.2016
2.	2009 – 2010	29.09.2010	03.11.2017
3.	2010 – 2011	11.08.2011	08.09.2018
4.	2011 - 2012	07.11.2012	12.12.2019
5.	2012 - 2013	30.09.2013	03.11.2020

The details of the unclaimed dividends of the aforesaid years are available on the Company's website at [www.hubtown.co.in](http://www.hubtown.co.in) under Section 'Investors/Unpaid Dividend Account' and the Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

17. As per the provisions of Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, facility for making nominations is available to the members in respect of the equity shares held by them. The nomination form can be downloaded from the Company's website [www.hubtown.co.in](http://www.hubtown.co.in) under the Section 'Investors/Investor Services/Nomination Form'.
18. Electronic copy of the Annual Report 2015-2016 is being mailed to the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report 2015-2016 are being sent in the permitted mode. Members who desire to receive documents/communication in electronic mode are requested to register their e-mail address with the Company by filling up the 'E-communication Registration' Form printed at the end of this Annual Report and send the duly filled in Form to the Company at its Registered Office or to Link Intime India Private Limited, Registrar and Transfer Agent of the Company. Members holding shares in electronic form are requested to register their e-mail address with their respective Depository Participant.
19. Electronic copy of the Notice of the 28th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members whose e-mail IDs are registered with the Company/Depository Participants for communication purposes unless any members has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 28th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Even after registering for e-communication, members are entitled to receive annual reports and other communication in physical form, upon making a request for the same.
20. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
21. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
22. a. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 ('the Rules'), and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid businesses may also be transacted through electronic voting system and accordingly, the Company is pleased to provide remote e-voting facility to all its shareholders in addition to voting in person in the AGM;
- b. The facility for voting, either through ballot or polling paper is also made available and members attending the meeting who have not already cast their vote by remote e-voting or by ballot shall be able to vote at the meeting; and
- c. The members who have cast their vote by remote e-voting or by ballot prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
23. The Company has signed an agreement with CDSL for facilitating remote e-voting and is pleased to offer remote e-voting facility as an alternate, to its shareholders to enable them to cast their votes electronically instead of exercising their votes by physical Postal Ballot Forms. The instructions for e-voting are annexed to this Notice.
24. The members can opt for only one mode of voting i.e. either by Ballot or remote e-voting. In case, members cast their votes through both the modes, voting done by Ballot shall be considered valid and the votes cast through remote e-voting shall be considered as invalid.

## NOTICE (CONTD.)

### INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Monday, September 26, 2016 at 9.00 a.m. and ends at 5.00 p.m. on Wednesday, September 28, 2016. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, September 22, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot/Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy) format as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or the Company please enter the member id/folio no. in the Dividend Bank details field as mentioned in instruction (iii).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of <HUBTOWN LIMITED> on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



## NOTICE (CONTD.)

- xvii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. **Note for Non-Individual Shareholders and Custodians**
- Non-Individual Shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## ANNEXURE TO THE NOTICE (CONTD.)

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (the 'Act').

As required by the Section 102 of the Companies Act, 2013 (the Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice :

#### Item No. 4

1. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on June 22, 2016, appointed Mr. Hemant M. Shah as Wholetime Director designated as Executive Chairman of the Company for a period of five years from January 1, 2017 to December 31, 2021, on the terms and conditions as detailed in para 2 below.
2. The terms and conditions of his appointment and remuneration payable are as under :

- i. **Term of Appointment** : 5 years with effect from January 1, 2017 to December 31, 2021.

- ii. **Nature of Duties** : The Executive Chairman shall devote his wholetime and attention to the business of the Company and shall carry out such functions, exercise such powers of management and carry out such duties as may be entrusted to him by the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associate companies/joint ventures/ subsidiary companies from time to time.

- iii. **Remuneration** :

- a. **Basic Salary** : ₹ 5,40,000 per month in the scale of ₹ 5,00,000 – ₹ 15,00,000 with authority to the Board of Directors of the Company ('the Board') to grant such increments within the said scale as it may determine from time to time, based on the recommendations of the Nomination and Remuneration Committee.

- b. **Performance Incentive**: Not exceeding 100 % of the annual salary. The specific amount payable shall be determined by the Board based on the recommendation of the Nomination and Remuneration Committee, from year to year.

- c. **Perquisites, Benefits and Allowances:**

Perquisites are classified into three categories 'A', 'B' and 'C' as follows:

#### Category 'A' :

- i. Rent free furnished/unfurnished accommodation provided by the Company or by any of its subsidiary. In the event no accommodation is provided by the Company, the Executive Chairman shall be paid House Rent Allowance of ₹ 8,00,000 per annum.
- ii. Medical Reimbursement : Medical expenses incurred for self and family in accordance with the Rules of the Company.
- iii. Leave Travel Concession for self and family once a year not exceeding one month's basic salary in accordance with the Rules of the Company.
- iv. Club Fees : Subscription or reimbursement of membership fees (including admission and life membership fees), subject to a maximum of two clubs.
- v. Personal Accident Insurance : Premium on Personal Accident Policy in accordance with the Rules of the Company.
- vi. Benefits, if any, assigned under Keyman Insurance Policy.
- vii. Other Allowances : As may be decided by the Board/Nomination and Remuneration Committee from time to time, subject to the provisions of the Act and Schedule V thereto.

#### Explanation :

Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

#### Category 'B' :

- i. Company's contribution to provident fund and payment of gratuity shall be as per the Rules of the Company.
- ii. Leave/Leave encashment as per the Rules of the Company.

**Explanation** : Contribution to provident fund, payment of gratuity and encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on remuneration.

## ANNEXURE TO THE NOTICE (CONTD.)

### **Category 'C' (Amenities):**

- i. Conveyance facilities : The Company shall provide chauffeur driven vehicles owned by the Company and/or its subsidiaries.
- ii. Communication facilities : The Company shall provide telephone, cellular phone, telefax, internet and other communication facilities at the residence of the Executive Chairman.
- iii. The Executive Chairman shall be entitled to the expenses actually incurred on travelling and boarding and lodging for self and also for spouse and attendant, if required, accompanying him on domestic and overseas business trips.

### **Explanation :**

The amenities shall not be included in the computation of the ceiling on remuneration.

### iv. **Minimum Remuneration :**

Where in any financial year during the tenure of the Executive Chairman, the Company has no profits or its profits are inadequate, the remuneration, perquisites and other allowances payable to the Executive Chairman shall be governed by the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time.

### v. **Other Terms and Conditions :**

- i. The Executive Chairman shall not become interested or otherwise concerned directly or indirectly or through his spouse and/or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the Executive Chairman may be altered and varied from time to time by the Board as it may, in its discretion deem fit in such manner as may be agreed to between the Board and the Executive Chairman, subject to such approvals as may be required.
- iii. The Executive Chairman shall abide by the provisions contained in Section 166 of the Act with regard to the duties of director.
- iv. The Executive Chairman shall adhere to the Company's Code of Conduct and Ethics and Code of Conduct for Prevention of Insider Trading.
- v. The Executive Chairman shall not be liable to retire by rotation.
- vi. The Agreement may be terminated by the Company or the Executive Chairman by giving not less than three months' notice in writing.

Mr. Hemant M. Shah satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under sub-section 3 of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of reappointment of Mr. Hemant M. Shah under Section 190 of the Act.

In compliance with the provisions of Sections 196, 197, 198 and 203 and other applicable provisions of the Act, read with Schedule V to Act, the resolution as set out Item No. 4 of the accompanying Notice is placed before the members for their approval.

A copy of the draft Agreement proposed to be executed between the Company and Mr. Hemant M. Shah will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and intervening public holidays, upto and including the date of the Annual General Meeting.

The Directors are of the view that the appointment of Mr. Hemant M. Shah as Executive Chairman will be in the best interest of the Company having regard to his immense knowledge and vast and varied business experience.

The Board recommends the resolution at Item No. 4 of the accompanying Notice for the approval of the members.

Mr. Hemant M. Shah and Mr. Vyomesh M. Shah who are related to each other, are interested in the said resolution.

The other relatives of Mr. Hemant M. Shah may be deemed to be interested in the resolution set out at Item No. 4 of the accompanying Notice, to the extent of their shareholding interest in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise in the said resolution.

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## ANNEXURE TO THE NOTICE (CONTD.)

### Item No. 5

1. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on June 22, 2016, appointed Mr. Vyomesh M. Shah as Managing Director of the Company for a period of five years from January 1, 2017 to December 31, 2021, on the terms and conditions as detailed in para 2 below.

2. The terms and conditions of his appointment and remuneration payable are as under :

- i. **Term of Appointment :** 5 years with effect from January 1, 2017 to December 31, 2021.
- ii. **Nature of Duties :** The Managing Director shall devote his wholetime and attention to the business of the Company and shall carry out such duties as may be entrusted to him by the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associate companies/joint ventures/subsidiary companies from time to time.

iii. **Remuneration :**

- a. **Basic Salary :** ₹ 4,80,000 per month in the scale of ₹ 4,50,000 – ₹ 14,00,000 with authority to the Board of Directors of the Company ('the Board') to grant such increments within the said scale as it may determine from time to time, based on the recommendations of the Nomination and Remuneration Committee.
- b. **Performance Incentive :** Not exceeding 100 % of the annual salary. The specific amount payable shall be determined by the Board based on the recommendation of the Nomination and Remuneration Committee, from year to year.
- c. **Perquisites, Benefits and Allowances :**

Perquisites are classified into three categories 'A,' B' and 'C' as follows :

**Category 'A' :**

- i. Rent free furnished/unfurnished accommodation provided by the Company or by any of its subsidiary. In the event no accommodation is provided by the Company, the Managing Director shall be paid House Rent Allowance of ₹ 8,00,000 per annum.
- ii. Medical Reimbursement : Medical expenses incurred on self and family in accordance with the Rules of the Company.
- iii. Leave Travel Concession for self and family once a year not exceeding one month's basic salary in accordance with the Rules of the Company.
- iv. Club Fees : Subscription or reimbursement of membership fees (including admission and life membership fees), subject to a maximum of two clubs.
- v. Personal Accident Insurance : Premium on Personal Accident Policy in accordance with the Rules of the Company.
- vi. Benefits, if any, assigned under Keyman Insurance Policy.
- vii. Other Allowances : As may be decided by the Board/Nomination and Remuneration Committee from time to time, subject to the provisions of the Act and Schedule V thereto.

**Explanation :**

Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

**Category 'B' :**

- i. Company's contribution to provident fund and payment of gratuity shall be as per the Rules of the Company.
- ii. Leave/Leave encashment as per the Rules of the Company.

**Explanation :** Contribution to provident fund, payment of gratuity and encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on remuneration.

**Category 'C' (Amenities) :**

- i. Conveyance facilities : The Company shall provide chauffeur driven vehicles owned by the Company and/or its subsidiaries..
- ii. Communication facilities : The Company shall provide telephone, cellular phone, telefax, internet and other communication facilities at the residence of the Managing Director.

## ANNEXURE TO THE NOTICE (CONTD.)

- iii. The Managing Director shall be entitled to the expenses actually incurred on travelling and boarding and lodging for self and also for spouse and attendant, if required, accompanying him on domestic and overseas business trips.

**Explanation :**

The amenities shall not be included in the computation of the ceiling on remuneration.

- iv. **Minimum Remuneration :**

Where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration, perquisites and other allowances payable to the Managing Director shall be governed by the limits prescribed in Section II of Part II of Schedule V to the Companies Act, 2013 as amended from time to time.

- v. **Other Terms and Conditions :**

- i. The Managing Director shall not become interested or otherwise concerned directly or indirectly or through his spouse and/or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.
- iii. The Managing Director shall abide by the provisions contained in Section 166 of the Act with regard to the duties of director.
- iv. The Managing Director shall adhere to the Company's Code and of Conduct and Ethics and Code of Conduct for Prevention of Insider Trading.
- v. The Managing Director shall be liable to retire by rotation.
- vi. The appointment may be terminated by the Company or the Managing Director by giving not less than three months' notice in writing.

Mr. Vyomesh M. Shah satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under sub-section 3 of Section 196 of the Act for being eligible for his reappointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of reappointment of Mr. Vyomesh M. Shah under Section 190 of the Act.

In compliance with the provisions of Sections 196, 197, 198 and 203 and other applicable provisions of the Act, read with Schedule V to Act, the resolution as set out Item No. 5 of the accompanying Notice is placed before the members for their approval.

A copy of the draft Agreement proposed to be executed between the Company and Mr. Vyomesh M. Shah will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and intervening public holidays, upto and including the date of the Annual General Meeting.

The Directors are of the view that the appointment of Mr. Vyomesh M. Shah as Managing Director will be in the best interest of the Company having regard to his immense knowledge and vast and varied business experience.

The Board recommends the resolution at Item No. 5 of the accompanying Notice for the approval of the members.

Mr. Vyomesh M. Shah and Mr. Hemant M. Shah who are related to each other, are interested in the said resolution.

The other relatives of Mr. Vyomesh M. Shah may be deemed to be interested in the resolution set out at Item No. 5 of the accompanying Notice, to the extent of their shareholding interest in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise in the said resolution.

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Item No. 6

The Board of Directors of the Company by a circular resolution dated July 28, 2016 appointed, in terms of Section 161 (1) of the Act and the Articles of Association of the Company, Mr. Shirish Gajendragadkar as an Additional Director designated as an Independent Director on the Board of Directors of the Company with effect from July 28, 2016. Pursuant to the provisions of the aforesaid Section, Mr. Shirish Gajendragadkar holds office upto the date of the ensuing Annual General Meeting of the Company.

## ANNEXURE TO THE NOTICE (CONTD.)

In accordance with the provisions of Sections 149 and 152 read with Schedule IV to the Act, appointment of an Independent Director requires approval of the members.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Shirish Gajendragadkar be appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from July 28, 2016.

The Company has also received a notice in writing pursuant to Section 160 of the Act together with requisite deposit from a member proposing the candidature of Mr. Shirish Gajendragadkar for the office of Independent Director of the Company to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from Mr. Shirish Gajendragadkar (i) consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR 8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified from being appointed as a Director in terms of Section 164 (2) of the Act; and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI Listing Regulations.

Accordingly, it is proposed to appoint Mr. Shirish Gajendragadkar as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from July 28, 2016 upto July 27, 2021 pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder.

In the opinion of the Board of Directors, Mr. Shirish Gajendragadkar fulfills the conditions for his appointment as an Independent Director as specified in the Act, the Rules made thereunder and SEBI Listing Regulations. Mr. Shirish Gajendragadkar is independent of the management and possesses appropriate skill, knowledge and experience.

The resolution at Item No. 6 of the accompanying Notice seeks the approval of the members for the appointment of Mr. Shirish Gajendragadkar as an Independent Director of the Company for a period upto July 27, 2021. He will not be liable to retire by rotation.

Brief resume and other particulars of Mr. Shirish Gajendragadkar as stipulated under Regulation 36 (3) of SEBI Listing Regulations is annexed to the Notice.

A copy of the draft Letter of Appointment of Mr. Shirish Gajendragadkar as an Independent Director, setting out the terms and conditions is available for inspection without any fee by members at the Registered Office of the Company during normal business hours on all working days (except Saturdays, Sundays and intervening public holidays) upto the date of the Annual General Meeting.

The Directors recommend the resolution at Item No. 6 of the accompanying Notice for the approval of the members.

Save and except Mr. Shirish Gajendragadkar and his relatives, to the extent of their shareholding interest, if any in the Company, none of the other Directors/Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 6 of the accompanying Notice.

This Explanatory Statement may also be regarded as disclosure under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Item No. 7

The Board of Directors of the Company in its meeting held on June 22, 2016, on the recommendation of the Audit and Compliance Committee, approved the appointment and remuneration of M/s. D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) as the Cost Auditor in place of M/s. N. I. Mehta & Co., Cost Accountants to conduct audit of the cost accounting records of the Company for the Financial Year ending March 31, 2017 at remuneration of upto ₹ 5,00,000/- (Rupees Five Lakhs) plus reimbursement of service tax, out-of-pocket expenses and travelling expenses, if any.

M/s. D. C. Dave & Co., Cost Accountants has taken over the firm of M/s. N. I. Mehta & Co., Cost Accountants due to retirement of the senior most partner of M/s. N. I. Mehta & Co.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit and Compliance Committee has to be ratified by the members of the Company.

The Board recommends the resolution at Item No.7 of the accompanying Notice for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested financially or otherwise in the said resolution.

### Item No. 8

Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitation for such debentures during the year. Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 deals with the issue of secured debentures.

## ANNEXURE TO THE NOTICE (CONTD.)

Keeping in view the aforesaid legal provisions, the members of the Company had at the 27th Annual General Meeting of the Company held on September 29, 2015, authorised the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, in one or more series/tranches, aggregating upto ₹ 5,000/- crore on private placement basis. The members may note that the Company has not made any private placement of non-convertible debentures pursuant to the said authorization.

However, in order to augment the long term resources for financing, inter-alia, the ongoing capital expenditure and for general corporate purposes, the Board may, at an appropriate time, offer or invite for subscription for secured/unsecured redeemable non-convertible debentures, in one or more tranches on private placement basis, issuable/redeemable at par.

Accordingly, the consent of the members is sought for passing the special resolution as set out at Item No. 8 of the accompanying Notice. This resolution is an enabling resolution authorizing the Board of Directors of the Company to offer or invite for subscription to non-convertible debentures, as may be required by the Company, from time to time for a year from the date of passing of this resolution.

The Directors recommend the special resolution at Item No. 8 for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

**Registered Office :**

'Ackruti Center Point', 6th floor  
Central Road, Marol MIDC  
Andheri (East) Mumbai 400 093

By Order of the Board of Directors  
For **Hubtown Limited**

**Chetan S. Mody**  
Company Secretary  
FCS - 2196

Place : Mumbai  
Date : July 28, 2016

## ANNEXURE TO THE NOTICE (CONTD.)

### Details of Directors seeking appointment / reappointment in the ensuing Annual General Meeting

[Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

#### **Mr. Hemant M. Shah (DIN : 00009659)**

Mr. Hemant M. Shah, 63 years, has been the Chairman since incorporation of the Company i.e. February 16, 1989 and Executive Chairman since October 10, 2003. He is a Civil Engineer from Mumbai University having 35 years of experience in executing diverse real estate and engineering projects. Mr. Hemant M. Shah is the key driving force behind the Company's design and engineering planning, construction, execution, marketing and sales functions as well as future business expansion strategies and plans for the Company.

He is the Chairman of Corporate Social Responsibility Committee and a member of Nomination and Remuneration Committee, Risk Management Committee and Committee of Directors of the Company.

Mr. Hemant M. Shah is not a Director or a member of the Committees of the Board of Directors of other listed entities.

Mr. Hemant M. Shah holds 58,00,000 equity shares in the Company

#### **Mr. Vyomesh M. Shah (DIN: 00009596)**

Mr. Vyomesh M. Shah, 56 years, is the Managing Director of the Company since December 30, 1996. He has been Director since incorporation of the Company i.e. February 16, 1989. He is a Commerce graduate from Mumbai University and a Chartered Accountant having over 26 years of wide experience and expertise in the field of construction, project planning, finance and management and property development.

He is the immediate Past President of the Maharashtra Chamber of Housing Industry.

He is a member of the Audit and Compliance Committee, Corporate Social Responsibility Committee, Risk Management Committee and the Committee of Directors.

Mr. Vyomesh M. Shah is not a Director or a member of the Committees of the Board of Directors of other listed entities.

Mr. Vyomesh M. Shah holds 75,40,000 equity shares of the Company.

Mr. Hemant M. Shah and Mr. Vyomesh M. Shah, being brothers, are related to each other.

#### **Mr. Shirish Gajendragadkar (DIN : 01681405)**

Mr. Shirish Gajendragadkar, aged 54 years is a commerce graduate from University of Mumbai.

Mr. Gajendragadkar possesses valuable experience of over 30 years in the field of providing integrated services in the real estate space such as land acquisition, fund raising, financial planning and management, sales and marketing, organizational strategy, corporate turnaround strategies, etc.

Mr. Gajendragadkar is a member of the Audit and Compliance Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee of the Board of Directors of the Company.

There is no inter-se relationship between Mr. Shirish Gajendragadkar and other members of the Board and Key Managerial Personnel of the Company.

Mr. Gajendragadkar is not a Director or a member of the Committees of the Board of Directors of other listed entities.

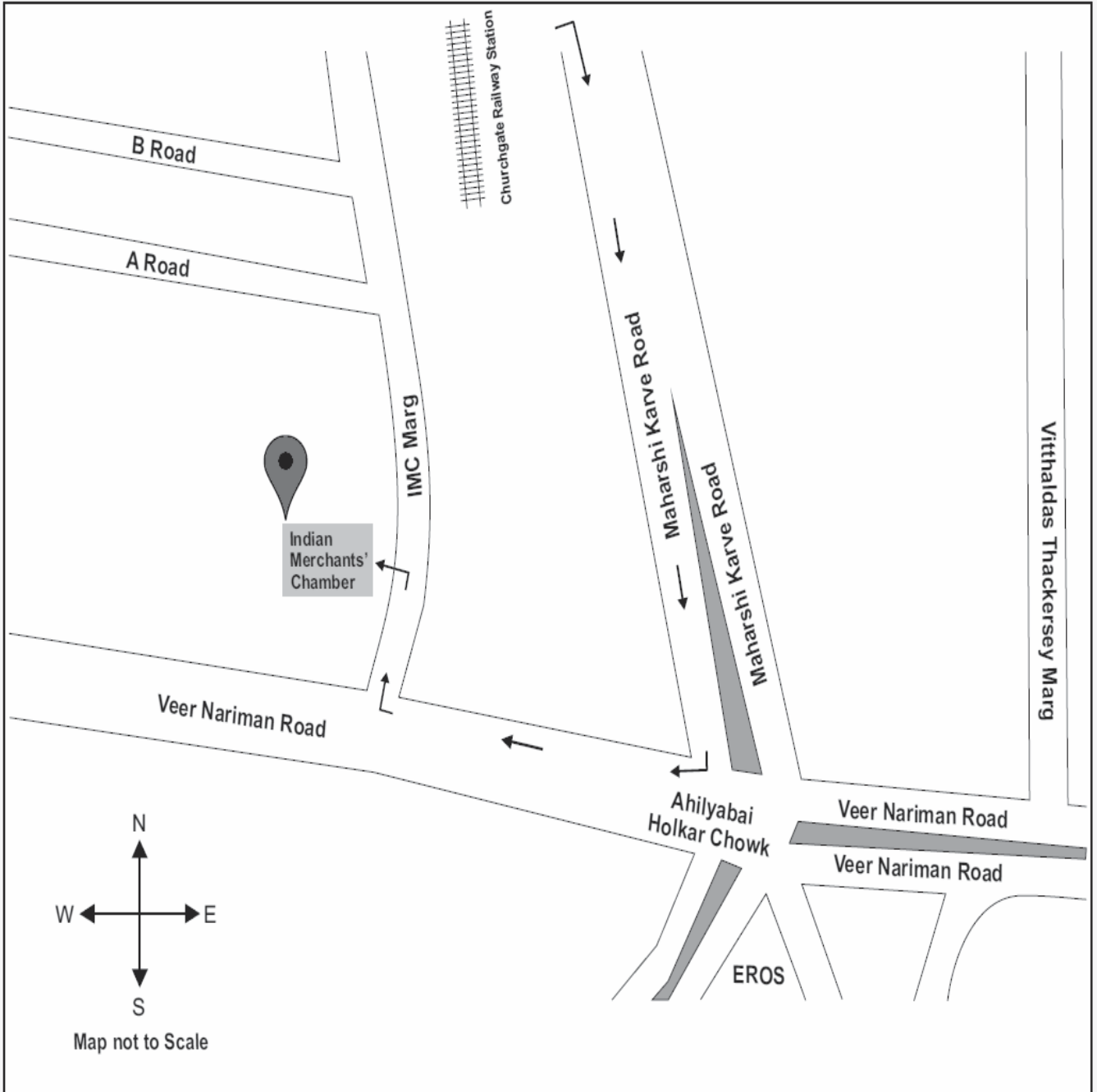
Mr. Gajendragadkar does not hold any equity share of the Company.



# HUBTOWN

ANNEXURE TO THE NOTICE (CONTD.)

## ROUTE MAP TO THE VENUE OF 28<sup>TH</sup> AGM OF HUBTOWN LIMITED



**AGM Venue Address:**

2nd Floor, Kilachand Conference Room, Indian Merchants Chamber Building, Indian Merchants Chamber Marg, Churchgate, Mumbai - 400020

# HUBTOWN

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

### TO THE MEMBERS

Your Directors have pleasure in presenting their Twenty-Eighth Annual Report, together with the Audited Financial Statements of your Company for the year ended March 31, 2016.

### FINANCIAL HIGHLIGHTS :

The financial performance of the Company for the year ended March 31, 2016 is summarized below:

(₹ in lakhs)

	STANDALONE		CONSOLIDATED	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Revenue from Operations	35830	41146	45104	44326
Other Income	3180	4298	4280	9465
<b>Total Income</b>	<b>39010</b>	45444	<b>49384</b>	53791
Operating Expenditure	7006	11148	7495	11266
<b>Profit before Depreciation / Interest / Tax</b>	<b>32004</b>	34296	<b>41889</b>	42525
Depreciation	301	403	507	980
Finance costs	30040	32259	45200	40341
<b>Profit / (Loss) before Tax</b>	<b>1663</b>	1634	<b>(3818)</b>	1204
Add : Extraordinary item	—	350	—	350
Add / (Less) : Provision for Tax	(327)	(504)	(376)	(743)
Excess / (Short) provision for taxation in respect of earlier years	671	313	687	266
Deferred Tax credit / (charge)	155	(497)	151	(501)
Prior Period Adjustments (net)	(32)	(221)	(97)	(445)
Minority Interest / Share of Profit / (Loss) from associates companies / pre-acquisition loss	—	—	579	(74)
Capital reserve written back on dilution	—	—	—	17
<b>Net Profit / (Loss) for the Year</b>	<b>2130</b>	1075	<b>(2874)</b>	74
Balance Profit brought forward from Previous Year	70158	68233	61690	60766
Reversal of proposed equity dividend and tax thereon	—	850	—	850
Amount available for appropriation	72288	70158	58816	61690
<b>APPROPRIATIONS :</b>				
Debenture Redemption Reserve	—	—	—	—
Proposed Dividend	—	—	—	—
Dividend Distribution Tax	—	—	—	—
General Reserves	—	—	—	—
<b>Balance carried to Balance Sheet</b>	<b>72288</b>	70158	<b>58816</b>	61690
<b>Earnings per Share before Extraordinary Item (₹) (EPS)</b>	<b>2.93</b>	1	<b>(3.95)</b>	0.1
<b>Earnings per Share after Extraordinary Item (₹) (EPS)</b>	<b>2.93</b>	1.48	<b>(3.95)</b>	0.1

### DIVIDEND :

As a prudent economic measure and in order to conserve the scarce liquid resources of the Company, the Directors do not recommend any dividend on the equity shares for the year under review.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### OPERATIONS :

During the year under review, on a consolidated basis, your Company's :

- Total Revenue stood at ₹ 49,384 lakhs;
- Operational Expenditure was ₹ 7,495 lakhs;
- Operating Profit (EBITDA) was ₹ 41,889 lakhs;
- Loss before Tax stood at ₹ (3,818) lakhs; and
- Loss after Tax for the year was ₹ (2,874) lakhs

On a standalone basis, your Company's :

- Total revenue stood at ₹ 39,010 lakhs;
- Operational Expenditure was ₹ 7,006 lakhs;
- Operating Profit (EBITDA) was ₹ 32,004 lakhs;
- Profit before Tax stood at ₹ 1,663 lakhs; and
- Profit after Tax for the year was ₹ 2,130 lakhs

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the unclaimed dividend amount of ₹ 10,157/- for the year ended March 31, 2008 was transferred to the Investor Education and Protection Fund (IEPF) after giving due notices to the members.

During the financial year 2016-2017, the dividend declared by the Company for the Financial Year 2008-2009 remaining unclaimed in terms of Section 124 of the Companies Act, 2013 will be transferred to IEPF.

### TRANSFER TO RESERVES :

No amount is proposed to be transferred to Reserves out of the profits earned during the Financial Year 2015-2016.

### NATURE OF BUSINESS :

The Company is engaged in the business of execution and development of real estate projects. There was no change in the nature of the business of the Company during the year under review.

### CHANGES IN SHARE CAPITAL :

During the year under review, there were no changes in the share capital of the Company. The Company has not issued shares with differential voting rights or sweat equity shares or granted stock options during the year under review.

### DEBENTURES :

During the year under review, the Company had not made any fresh issue of debentures or redeemed any of the existing debentures.

### BUSINESS OVERVIEW :

Your Company is one of India's leading real estate companies, engaged in the business of execution and development of real estate projects and currently operates both - on its own and through its subsidiaries / joint ventures / associate companies, partnerships firms and public private partnerships encompassing the construction and development of Residential and Commercial Premises, and Build Operate Transfer (BOT) Projects.

The Company has a Western India focus with presence in major cities such as Mumbai, Thane, Pune, Ahmedabad, Surat, Vadodara and Mehsana.

### OVERVIEW OF THE COMPANY'S PROJECTS

(includes projects being developed / to be developed through subsidiaries / associates / joint ventures / public-private partnerships)

#### Residential:

##### **Project completed :**

Hubtown Sunmist 'B' Wing – Andheri (East)

Hubtown Shikhar – Andheri (East)

Hubtown Countrywoods Phase I – Kondhwa, Pune

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Ongoing Projects:

Hubtown Sunmist — 'A' Wing - Andheri (East)	Hubtown Countrywoods Phase II — Kondhwa, Pune
Hubtown Seasons Chembur	Hubtown Serene — Bandra (East)
Hubtown Gardenia — Mira Road	Hubtown Celeste — Worli
Hubtown Greenwoods — Thane	Hubtown Premiere — Andheri (West)
Hubtown Heaven — Matunga (East)	Rising City — Ghatkopar-Mankhurd Link Road
Hubtown Vedant — Sion (East)	Hillcrest — Andheri (East)
Hubtown Sunstone — Bandra (East)	

### Future Projects

Twenty Five South – Prabhadevi ; Hubtown Divinity – Thane ; Hubtown Square – Thane;  
Hubtown Jewell – Andheri (West)

### Commercial:

#### Project completed

Hubtown Solaris Phase – I – Andheri (East) ; Hubtown Viva – Andheri (East)

#### Ongoing Projects

Hubtown Solaris Phase – II – Andheri (East) ; Hubtown Central – Surat  
Hubtown Central – Ahmedabad ; Hubtown Central – Mehsana ; Hubtown Central – Vadodara

### IT SEZ and Township:

#### Ongoing

Sunstream City Phase – I - Mulund-Thane

### MANAGEMENT DISCUSSION AND ANALYSIS :

The Management Discussion and Analysis Report, forming part of the Board Report for the year under review as stipulated under Regulation 34 (2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is discussed herein below.

### REAL ESTATE SECTOR OVERVIEW :

The last few years have seen Indian real estate sector witness a quiet revolution, owing to a growing economy and a positive government attitude, which includes a liberalized foreign direct investment regime. The IT and ITES sector growth further had a domino effect since for every square foot of developed office area, around 10 sq. feet of residential space needed to be developed for accommodation of the employees. Almost 80 % of real estate developed in India is residential space and the rest comprises of offices, shopping malls, hotels and hospitals. After agriculture, real estate sector is the second largest employment generator in India and contributes heavily towards gross domestic product (GDP). The growth in the sector, supported by a series of reforms, has not only resulted in significant growth in residential and commercial real estate, but also complemented the development of physical and social infrastructure of the country. Five percent of the country's GDP is contributed by the housing sector. In the next five years, this contribution to GDP is expected to rise further.

Real estate sector is also responsible for the development of over 250 other ancillary industries such as cement, steel, paints, glass, etc. The construction industry ranks third among 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

In the year 2015, Indian real estate sector witnessed regulatory changes that included relaxing of foreign direct investment laws and the Union Cabinet approving the much awaited Real Estate Bill.

The Government of India has been supportive to the real estate sector. In August 2015, the Union Cabinet approved 100 Smart City Projects in India. The Government has also raised FDI limits for townships and settlements development projects to 100 per cent. Real estate projects within the Special Economic Zone (SEZ) are also permitted 100 per cent FDI. In Union Budget 2015-16, the government allocated US\$ 3.72 billion for housing and urban development. The government has also released draft guidelines for investments by Real Estate Investment Trusts (REITs) in non-residential segment.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### SEGMENT WISE PERFORMANCE : (KNIGHT FRANK RESEARCH)

#### Residential :

Residential real estate growth in 2015 was not as good as expected. H1 2015 saw overall absorption exceeding the new supply for the first time in three years across the major cities. But the year 2015 ended with lowest number of new launches and sales volumes across top eight cities of India since 2010. While the sales volume during the year was similar to that of 2014, new launches fell sharply, by 22 percent. However, H2 2015 witnessed a marginal recovery in both launches and absorption as compared to H1 2015.

#### Commercial :

Absorption surpassed new completions for the second straight year across the top six cities of India, pushing vacancy levels to an eight year low. At around 35 million sq. ft., office space absorption was the second highest in the country after 2011. Vacancy levels reached 15.6 percent in H2 2015, significantly lower from the peak of 21 percent in 2012. The IT/ITES sector continued to lead in terms of absorption across the top six cities in H2 2015. The other services sector, which constitutes e-commerce, media, consulting and telecom, among others, accounted for 23 percent of the total office space absorbed in H2 2015. Commercial/office space rental increased across most cities in 2015.

#### Retail :

The year 2015 saw hardly any quality retail space come in. The year 2015 witnessed a consolidation of retail real estate by brands and retailers who focused on their profit-making stores and closed down loss-making ones. Further, with the relaxation of FDI norms, it became easier for single-brand retail companies to explore the Indian market and set up e-commerce businesses independently.

#### Capital market transactions in real estate :

A number of big-ticket capital market deals in real estate were witnessed during 2015. Residential projects attracted significant investments but the majority of funds were routed into income-yielding office projects in 2015. In 2016, capital market deals in real estate are expected to scale a new high.

#### OPPORTUNITIES : (source KPMG – Indian real estate –Opening doors)

Real estate in India is a big opportunity. The rapid urbanization, nuclear family concept, higher disposable incomes, easier availability of credit, younger population, growing Indian economy, government focus on development of infrastructure, etc. will lead to huge demand. This demand will spread across all segment of the real estate sector.

#### Residential segment opportunity

The residential segment which contributes about 80 percent to the real estate sector is expected to grow significantly over the next few decades. It is estimated that Indian cities need to develop at-least two million houses annually for the growing population. Increased incomes, easy availability of finance, favourable interest rates and tax benefits have ensured that there will be a huge demand for residential properties. The opportunity is limited not only to the metros but percolates to Tier II and Tier III cities as well. Further, there was a housing shortage of about 18.7 million in 2012 (15th five year plan). Thus, India needs to develop almost 45-50 million housing units by 2028 (KPMG analysis).

#### Commercial segment opportunity

The commercial real estate market comprises of office, retail and industrial segments. It is primarily dependent on the growth in services (IT/ITES/BFSI) and industrial (logistic, warehouse and manufacturing) sectors of the economy.

#### Office :

IT/ITES sector is the major occupier of office space in India absorbing 52 percent of new office space which came up since 2010. Banking, Financial Services and Insurance (BFSI) are the second largest space occupiers in India occupying about 16 percent of the total office space. A major driver for commercial real estate could be the awarding of new banking licences by Reserve Bank of India, which would create demand for about 4.5-5 million sq. feet of office space in short term.

#### Retail :

Retailing in India is expected to increase at CAGR of 8 percent from US \$ 518 billion in 2012 to US \$ 957 billion by 2020. The organized retail is expected to increase from US \$ 41 billion to US \$ 191 billion during the same period. However, 2016 is expected to witness a continued shortage of quality retail spaces.

#### Industrial :

The Indian Government is taking significant measures to promote growth in the manufacturing sector, a key driver of industrial real estate. Among the most prominent is the 1483 km long Delhi-Mumbai Industrial Corridor which is expected to significantly boost demand from industrial real estate.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Warehouse realty :

E-commerce has emerged as one of the main drivers for warehouse realty demand across the country after Third Party Logistics operators. An approximately 2 million sq. ft. of warehousing space was taken up by e-commerce firms in 2015, a significant jump as the share of the sector rose from a meager 2 percent of the total warehousing demand in 2012 to around 22 percent during 2015. The office space demand from e-commerce firms witnessed a 170 percent year-on-year growth from 0.7 million sq. ft. in 2014 to 2 million sq. ft. in 2015.

### Healthcare and Education :

Growing and emerging residential nodes will enable growth in the healthcare and education sectors. The education sector is poised to see major growth in the future, as India will have the world's largest population in the 18-24 age group and the second largest graduate talent pipeline globally by the end of 2020.

The healthcare sector is expected to nearly double in value from the current USD 144 billion to USD 280 billion by 2020.

### RISKS AND CONCERNS :

#### Real Estate Specific Risks :

- Fluctuations in market conditions may affect the ability to sell units at expected prices, which could adversely impact revenues and earnings.
- Competition from existing as well as new players, both domestic as well as foreign.
- Increase in interest rates may dampen the growth rate of demand for housing units.
- Real estate price cycles have the maximum impact on the margins of the developers.
- Unfavourable changes in government policies including change in tax structure would affect the growth of the real estate sector.
- Liquidity Risk – liquidity crisis on account of stoppage of lending funds to real estate sector by banks, financial institutions and other lending agencies, leading to stoppage of development activity.
- Operational Risks – longer gestation period for acquisition of land, non-availability of critical raw materials such as cement and steel, failure to comply with rules and regulations.
- Shortage or sharp increase in prices of building materials could impact the project schedule and impact thereby the revenues and margins.
- Delays in obtaining approvals from regulatory authorities.
- Perennial shortage of semi-skilled and skilled labour.
- Economic uncertainty and political fluidity can adversely impact the economy.
- Human Resource Risk – high attrition of skilled/trained manpower.
- Retrospective policy changes and regulatory bottlenecks could impact the performance of real estate companies.
- IT Risk – loss/theft of important and confidential data and breakdown of IT system may adversely affect the Company's ability to monitor progress of the project, etc. and provide timely information about the projects to the customers,
- Legal and Statutory Risk – ownership and land title issues.
- Lack of supporting infrastructure such as roads, highways, electricity, water, sewerage can hamper the growth of real estate.
- Shift in consumer preference may adversely affect the Company's business and operating results.
- Absence of land title insurance.

#### CONCERNS :

The real estate sector offers ample opportunities for development across verticals, but there are certain intrinsic challenges that hinder growth of the sector. The challenges in the Indian real estate can be broadly classified under five categories which are lack of suitable developable land, delays in obtaining approvals, issues in land title and insurance, inadequate funding challenges and shortage of manpower.

- Lack of suitable developable land : Suitable developable land with basic infrastructure has become scarce in Indian cities. This has resulted in significant surge in land prices in the urban areas.
- Strict and prolonged regulatory process leading to delays : The process of obtaining construction permit has become difficult over the last several years and is among the major reasons contributing to the delays in real estate development. The delay in obtaining approvals and adhering to regulatory processes results in avoidable time and cost overruns.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- Land related issues : Lack of clear land titles and title insurance often makes difficult to acquire suitable land parcels. Absence of clear land titles sometimes results in long-drawn and expensive litigation for developers. Further, there is no single land policy in India and each state has its own policy which adds to the complexities.
- Inadequate funding channels : Reserve Bank of India has set threshold for the total maximum exposure to real estate, including individual housing loans and lending to developers for construction finance. Absence of long term funding from banks results in developers tapping alternative sources of funds, most of which do not offer affordable interest rates and hence the supply stifled.
- Shortage of manpower and technology : Despite being the second largest employer in the country, the real estate sector as a whole faces manpower shortage. The sector is heavily dependent on manual labour, faces longer time lines for construction completions, which results in supply getting deferred.
- High construction costs : As the raw material costs increase over a period, it becomes very difficult to provide housing at a reasonable cost.
- Uneven development of urban infrastructure.

### OUTLOOK : (source KPMG – Indian real estate –Opening doors)

The real state sector which is deeply linked to the economic performance is expected to be a major beneficiary in the expected strong Indian economic growth. The major drivers supporting real estate sector include urbanization, rising income level, young population, and growing number of nuclear families and strong expected growth in the manufacturing and service sector. The share of the real estate sector in GDP is expected to increase from 6.3 percent in 2013 to 13 percent by 2028. In absolute terms, the size of the sector is expected to increase seven times to US \$ 853 billion in 2028 from US \$ 121 billion in 2013.

### Drivers of the real estate sector :

#### Economic growth :

- Indian economy is expected to be the fastest growing economy for the next few decades.
- The growth could primarily be driven by infrastructure investment and the rising manufacturing and service sector.
- Within the service sector, the growing IT and banking sectors are expected to significantly add to the demand for commercial real estate.

#### Rising income level :

- The per-capita income in urban India is expected to triple from US \$ 2,800 in 2012 to US \$ 8,300 in 2028.
- The rising income supports the growth of retail and residential real estate.

#### Urbanization :

- About 10 million people are moving to Indian cities every year.
- Urban areas are expected to contribute 70-75 percent to nations GDP by 2025.
- About two million houses are required to be developed each year, typically in the affordable segment.

#### Young and smaller families :

- The average household size is expected to decrease from 4.8 currently to just above 4.4.
- The fall in household size is expected to add about demand for 10 million new housing units.
- About 35 percent of India's population is between 15-35 age bracket which is expected to drive the demand for housing for over the next fifteen years.

In the mid-to-long term, the real estate sector can derive indirect but significant benefits of pro-growth initiatives launched by the Government of India viz. the Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), and the Housing for All Mission, all of which can help set off a new beginning in India's urban areas, which are potentially key drivers of high rate economic growth. The relaxation in FDI norms for construction and realty bodies well for the future of the sector, as do initiatives such as 'Make in India', the introduction of GST (as and when) and the development of dedicated freight corridors, which can foster growth in key industries that support demand for industrial real estate.

High demand for ready-to-move in projects and increased focus on project completion will set the contours for the realty sector outlook in 2016.

Over the next five years, the Indian real estate market is expected to grow at a CAGR of 20 percent, driven by 18-19 percent growth in the residential segment, 55-60 percent in the retail real estate and 20-22 percent in the commercial real estate.

The investment activity in commercial real estate is also expected to heighten over the next couple of years with the government streamlining taxation and other issues related to real estate investment trusts (REITs).

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### FINANCIAL PERFORMANCE OVERVIEW :

During the year under review, the overall markets remained sluggish and slow. Your Company's performance was to a greater extent impacted due to continued inflation dampening investor sentiment, increased cost of capital, increased cost of construction and restrained demand from end-users. The operational cashflows were adversely impacted for major part of the year under review, resulting in intense pressure on profit margins.

The salient features of the financial performance for 2015-2016 are as hereunder :

#### Consolidated basis :

- Income from operations stood at ₹ 45,104 lakhs as against ₹ 44,326 lakhs in the previous year;
- Operational Expenditure was lower by 33.47 % at ₹ 7,495 lakhs as against ₹ 11,266 lakhs in the previous year;
- Operating Profit (EBITDA) was lower by 1.5 % at ₹ 41,889 lakhs from ₹ 42,525 lakhs in the previous year;
- Loss before Tax was ₹ (3818) lakhs as against profit of ₹ 1,204 lakhs in the previous year.
- Loss after Tax, Minority Interest and Other Items was ₹ (2,874) lakhs as against profit of ₹ 74 lakhs in the previous year;
- Earnings per Share before and after Extraordinary Item ₹ (3.95);
- Networth of the Company stood at ₹ 170,695 lakhs as against ₹ 169,910 lakhs in the previous year.

#### Standalone basis :

- Income from operations stood at ₹ 35,830 lakhs as against ₹ 41,230 lakhs in the previous year;
- Operational Expenditure was lower by 37.15 % at ₹ 7,006 lakhs as against ₹ 11,148 lakhs in the previous year;
- Operating Profit (EBITDA) was lower by 6.68 % percent to ₹ 32,004 lakhs from ₹ 34,296 lakhs in the previous year;
- Profit before Tax and Extraordinary Item was marginally higher at ₹ 1,663 lakhs as against ₹ 1,634 lakhs in the previous year;
- Profit after Tax and Other Items was ₹ 2,130 lakhs, higher by 98.14 % as against ₹ 1,075 lakhs in the previous year;
- Earnings per Share before and after Extraordinary Item ₹ 2.93;
- Networth of the Company stood at ₹ 173,273 lakhs as against ₹ 171,143 lakhs in the previous year.

### HUMAN RESOURCES :

The Company recognizes that its people are the key to the success of the organization and in meeting its business objectives. The Human Resources function endeavours to create a congenial work environment and synchronizes the working of all the departments of the organization to accomplish their respective objectives, which in turn helps the Company to build and achieve its goals and strategies. Employee relations during the year remained cordial.

The Company had 269 employees on its payroll as on March 31, 2016.

### INTERNAL FINANCIAL CONTROLS :

The Company has in place adequate internal financial controls with reference to the financial statements. These are routinely tested and certified by the Statutory as well as Internal Auditors. Significant audit observations and follow-up action thereon are reported to the Audit and Compliance Committee.

Your Company's control system and procedures are regularly reviewed for relevance and effectiveness and changed as per the needs of business environment.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by the Management, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2015-2016.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Arvind Kumar Joshi, an Independent Director resigned from the Board of Directors of the Company effective April 29, 2016. Your Directors place on record its sincere appreciation of the invaluable contribution made by Mr. Arvind Kumar Joshi to the deliberations of the Board and the Committees of the Board of which he was a member during his tenure.

In accordance with the provisions of Section 152 (6) (e) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Vyomesh M. Shah (DIN : 00009596), Director of the Company, who retires by rotation, and being eligible, offers himself for reappointment.



## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Based on the recommendations of the Nomination and Remuneration Committee, Mr. Hemant M. Shah and Mr. Vyomesh M. Shah, were reappointed as Executive Chairman and Managing Director respectively for a period of five years each, effective January 01, 2017 to December 31, 2021, by the Board of Directors in its meeting held on June 22, 2016, subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Notice convening the ensuing Annual General Meeting includes the proposals for appointment / reappointment of Director/Executive Chairman/Managing Director.

### DECLARATION BY INDEPENDENT DIRECTORS :

Pursuant to the provisions of Section 149 (7) of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they meet the criteria of independence under Section 149 (6) of the said Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### NO. OF MEETINGS OF THE BOARD OF DIRECTORS :

The Board of Directors met 4 times during the financial year ended March 31, 2016 in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 17 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year ended March 31, 2016, the Independent Directors held a separate meeting in compliance with the requirements of Schedule VI to the Companies Act, 2013 and Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For details, kindly refer to the section on Corporate Governance forming part of this Annual Report.

### COMMITTEES OF THE BOARD

There are currently five Committees of the Board, as under:

- Audit and Compliance Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

Details of the aforesaid Committees including their composition, terms of reference and meetings held during the year under review, are provided in the section on Corporate Governance, which forms part of this Annual Report.

### ANNUAL EVALUATION OF PERFORMANCE :

During the year under review, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees of the Board. The evaluation of the Board and its Committees was based on objective and tangible criteria, including the composition, performance of the Company, accomplishment of long term strategic objectives, blending of ethics and business and the development of management, etc. The evaluation of individual director was based on the effective contribution by the director concerned, the commitment to the role including commitment of time for Board and Committee meetings and any other duties.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. The performance of Non-Independent Directors and the Chairman of the Company was carried out by the Independent Directors at their duly convened meeting.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION :

The Nomination and Remuneration Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178 (3) of the Companies Act, 2013 and Regulation 19 (4) (Part 'D' of Schedule II) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended as **Annexure – 'A'** to this Annual Report.

### DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to sub-section (3) (c) of Section 134 (5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2016, the Directors of your Company, to the best of their knowledge and belief and on the basis of the information and explanations received by them, hereby state and confirm that :

- (i) in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable accounting standards read with the requirements under Schedule III to the said Act have been followed alongwith proper explanation relating to material departures, if any;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March, 2016, and of the profit of the Company for the year ended on that date;

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a 'going concern' basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### SUBSIDIARIES, JOINT VENTURE ENTITIES AND ASSOCIATE COMPANIES :

As on March 31, 2016, the Company had 21 subsidiaries, 7 joint venture entities and 5 associate companies. There has been no change in the nature of business of the any of the said subsidiaries, joint venture entities and associate companies.

During the year under review :

- (i) Devkurpa Build Tech Limited, ceased to be a wholly owned subsidiary and instead became a subsidiary of the Company;
- (ii) Citywood Builders Private Limited became a wholly owned subsidiary of the Company;
- (iii) Sheshan Housing and Area Development Engineers Limited ceased to be a subsidiary of the Company;
- (iv) Yellowcity Builders Private Limited and Comral Realty Private Limited respectively ceased to be associates of the Company.

A statement pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, containing the salient features of the performance and the financial statements of the subsidiaries, joint venture entities and associates companies for the financial year ended March 31, 2016 in the prescribed Form AOC 1 is appended to the consolidated financial statements as **Schedule - I**.

The Policy for determining 'material subsidiary' under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved is posted on the Company's website at the link: <http://hubtown.co.in/admin/uploaddir/Policy%20on%20Subsidiaries%20.pdf>.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company at the link: <http://hubtown.co.in/admin/uploaddir/Annual%20Report%20-%202015-2016.pdf>.

Further, as per fourth proviso of the said Section, the audited annual accounts of each of the subsidiary companies has also been placed on the website of the Company at the link: [http://hubtown.co.in/admin/uploaddir/All%20Subsidiaries-BS-2015\(1\).pdf](http://hubtown.co.in/admin/uploaddir/All%20Subsidiaries-BS-2015(1).pdf).

The Company shall provide a copy of the annual accounts of its subsidiary companies to the members of the Company and also to the members of subsidiary companies on their request. The annual accounts of the subsidiary companies will also be available for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days.

During the financial year ended March 31, 2016, the Company was not required to appoint an Independent Director of the Company on the Board of any of its non-listed Indian subsidiary under Regulation 24 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Additional information as required under Schedule III to the Companies Act, 2013 in respect of entities consolidated as subsidiaries/associates/joint ventures is furnished in Note '1' to the consolidated financial statements.

### REPORT ON THE PERFORMANCE AND THE FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES :

As required under Section 129 of the Companies Act, 2013 and SEBI Listing Regulations, the consolidated financial statements have been prepared by the Company in accordance with the applicable accounting standards and form part of this Annual Report. A statement on the performance and the financial position of subsidiaries, associates and joint ventures companies included in the consolidated financial statements is appended in **Form No. AOC – 1** as **Schedule – I** to the consolidated financial statements and hence not repeated here for the sake of brevity.

### AUDITORS :

#### Statutory Auditors :

M/s. Dalal Doshi & Associates, Chartered Accountants, (Firm Registration No. : 121773W) (DDA) were reappointed as Statutory Auditors of the Company to hold office from the conclusion of the 26th Annual General Meeting (AGM) held on September 25, 2014 until the conclusion of the 29th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the members at every AGM held after the AGM held on September 25, 2014).

The Board, in terms of Section 139 of the Companies Act, 2013, on the recommendation of the Audit and Compliance Committee, has recommended for the ratification of the members, the appointment of DDA as Statutory Auditors from the conclusion of the ensuing AGM till the conclusion of the next AGM to be held in the year 2017.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

The Company has received a certificate from the said Auditors to the effect that their reappointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria prescribed in Section 141 of the Companies Act, 2013.

As required under Regulation 33 (d) of the Listing Regulations, the Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

A resolution for ratification of the appointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of the members.

Further, there have been no instances of fraud reported by the Auditors under Section 143 (12) of the Companies Act, 2013 and the Rules made thereunder either to the Company or to the Central Government.

### Cost Auditors :

Based on the recommendation of the Audit and Compliance Committee, the Board has appointed M/s. D. C. Dave & Co., Cost Accountants (Firm No. : 000611) in place of M/s. N. I. Mehta & Co., Cost Accountants as Cost Auditors to conduct audit of the cost records of the Company for the year ending March 31, 2017, subject to the ratification of the remuneration payable to them by the members in the ensuing Annual General Meeting pursuant to Section 148 of the Companies Act, 2013.

### COST AUDIT REPORT :

The Cost Audit Report for the Financial Year 2015-2016 pursuant to the Companies (Cost Accounting Records) Rules, 2011 will be filed within the period stipulated under the Companies Act, 2013.

### Secretarial Audit Report :

Pursuant to the provisions of Section 204 (3) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. Ashish Bhatt & Associates, Practising Company Secretary, to conduct the Secretarial Audit of the Company.

In terms of Section 204 (1) of the Companies Act, 2013, the Report of the Secretarial Auditor on the Company's Secretarial Audit is appended to this Report as **Annexure – 'B'**. The said Report does not contain any qualifications or observations or adverse remarks or disclaimers requiring explanation from the Board under Section 134 (3) of the Companies Act, 2013.

### AUDIT AND COMPLIANCE COMMITTEE :

As on March 31, 2016, the Audit and Compliance Committee comprised of three Independent Directors namely Mr. Abhijit Datta as Chairman of the Committee, Mr. Arvind Kumar Joshi (upto April 29, 2016) and Mr. Sunil C. Shah and one Non-Independent Executive Director – Mr. Vyomesh M. Shah.

Kindly refer to the section on 'Corporate Governance ' under the heading 'Audit and Compliance Committee' for matters relating to constitution, meetings and functions of the said Committee.

### AUDIT AND COMPLIANCE COMMITTEE RECOMMENDATIONS :

During the year under review, all the recommendations put forth by the Audit and Compliance Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

### AUDITORS' REPORT AND AUDIT OBSERVATIONS :

The Statutory Auditors have : (i) stated an 'Emphasis of Matter' and "Other Matters" and made certain observations in clauses (vii) (a) and (ix) of the Annexure referred to in their Report on the Standalone Financial Statements for the year ended March 31, 2016; (ii) stated an 'Emphasis of Matter' and "Other Matters" in their Report on the Consolidated Financial Statements for the year ended March 31, 2016 and the response of your Directors thereto is as follows

#### Emphasis of Matter

In respect of clauses (a), (b), (c), (d), (e), (f) and (g) of the Auditors' Report on Standalone Financial Statements and in respect of clauses (a), (b), (c), (d), (e), (f), (g) and (j) of the Auditors' Report on Consolidated Financial Statements, the relevant Notes to the Standalone Financial Statements and the Consolidated Financial Statements respectively are self explanatory and do not call for further clarification/elaboration.

Regarding Clause (h) of the Auditors' Report on Standalone Financial Statements and Consolidated Financial Statements respectively with respect to corporate social responsibility expense which is subject to cheque realization by the recipient trust, the Directors have to state that the recipient trust has informed the Company that it was inadvertently and through oversight, the cheque issued by the Company towards CSR expense was not deposited in the bank account of the recipient trust.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Regarding Clause (i) of the Auditors' Report on Standalone Financial Statements and Consolidated Financial Statements respectively with respect to the Company not charging interest on advances given to various group entities developing real estate projects, which the Company has business interest, the Directors have to state that as per its business model, the Company executes and develops real estate projects either directly or through its subsidiaries, associates, joint ventures, special purpose vehicles and partnership firms, each of which has a different partner(s). All these entities need huge infusion of funds into their respective business operations and given the long gestation period of a real estate project, the Company is, therefore, required to provide financial support by way of business advances. These business advances are nothing but project financing by the Company, which are deployed with the ultimate objective of fetching returns for the Company once these projects are completed.

Regarding clause (k) of the Auditors' Report on the Consolidated Financial Statements with respect to non-availability of consolidated financial statements of two subsidiaries of the Company, footnote (a) to Note 13 of the Consolidated Financial Statements is self explanatory.

Regarding clause (l) of the Auditors' Report on the Consolidated Financial Statements with respect to non-availability of financial statements of one associate of the Company, the Directors have to state that the investment by the Company in the said associate is purely temporary in nature and further, the Company does not exert control on the management of the said associate.

### Other Matters:

In respect of clauses (a) and (b) of the Auditors Report on the standalone financial statements the Auditors' observations thereon and Note 12 (footnote e), are self explanatory and do not call for further information/clarification.

As regards the Auditors' observations in clauses (vii) (a) and (ix) of the Annexure referred to in their Report on the Standalone Financial Statements for the year ended March 31, 2016, the Directors have to state that :

"The delays caused by the Company in making timely payment of the statutory dues and payment of principal and interest on its borrowings have been due to prolonged recession in the real estate industry owing to slowdown in demand, inordinate delays in approval process, inflationary pressures, liquidity crunch and costly debt. The Company is also facing lack of adequate sources of finance to fund development of its real estate projects resulting in delayed realisations from its customers and lower availability of funds to discharge its liabilities. The Company is exploring alternative sources of finance to generate adequate cash inflows for meeting these obligations and to overcome this temporary liquidity shortage and is hopeful that these efforts will yield fruitful results."

### VIGIL MECHANISM :

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Whistle Blower Policy as a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Annual Report. The Whistle Blower Policy has been uploaded on the Company website at the link: <http://hubtown.co.in/admin/uploaddir/REVSIED%20WHISTLE%20BLOWER%20POLICY%2029.05.2014%20-%20Copy.pdf>.

### RISK MANAGEMENT:

Risk evaluation and management is an ongoing process within the organization. The Board of Directors of the Company has framed a 'Risk Management Policy' to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the functions are systematically addressed through mitigating actions on a continuing basis.

### EXTRACT OF ANNUAL RETURN :

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual Return for the Financial Year ended March 31, 2016 made under the provisions of Section 92 (3) of the said Act in **Form No. – MGT 9** is appended as **Annexure – 'C'** to this Report.

### MATERIAL CHANGES AND COMMITMENTS :

No material changes or commitments which could affect the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report, other than those disclosed in this Report.

### DEPOSITS :

During the year under review, the Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

### PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of the loans given, investments made, guarantees given and securities provided under Section 186 of the Companies Act, 2013, have been provided in the Notes to the Financial Statements.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES :

All contracts / arrangements / transactions with related parties that were entered into by the Company during the year under review were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Key Managerial personnel or their relatives which could have had a potential conflict with the interest of the Company at large. All related party transactions are placed before the Audit Committee and also to the Board for approval.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Attention of the members is drawn to Note 33 to the standalone financial statements and Note 35 to the consolidated financial statements which sets out related party disclosures.

The particulars of a material contract with a related party entered into by the Company during the year under review are furnished in **Form No. AOC-2**, which is appended as **Annexure 'D'**.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is uploaded on the Company's website at the link: <http://hubtown.co.in/admin/uploaddir/Policy%20on%20Related%20Party%20Transactions.pdf>.

### CONSOLIDATED FINANCIAL STATEMENTS :

The Consolidated Financial Statements of the Company which have been prepared in accordance with the relevant Accounting Standards (AS) viz. AS 21 – 'Consolidated Financial Statements', AS 23 – 'Accounting for Investments in Associates' and AS 27 – 'Financial Reporting of interests in Joint Ventures' issued by the Institute of Chartered Accountants of India form part of this Annual Report.

### CODE OF CONDUCT :

As prescribed under Part 'D' of Schedule V read with Regulation 17 (5) of the Listing Regulations, a declaration signed by the Managing Director affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the Financial Year 2015-2016 is annexed to and forms part of the Corporate Governance Report.

### DISCLOSURE OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

During the year under review, there were no significant or material orders passed by any regulatory / statutory authorities or courts / tribunals against the Company impacting its going concern status and operations in future.

### CORPORATE GOVERNANCE :

The Report on Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. The Certificate from a practising company secretary confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V to the aforementioned Listing Regulations is annexed to and forms part of the Corporate Governance Report.

### DISCLOSURE UNDER 'THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013' :

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of 'The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. The Company affirms that during the year under review, no cases were filed /reported under the provisions of the said Act.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The nature of operations of the Company does not require disclosure of particulars relating to conservation of energy and technology absorption, as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014. During the year under review, the Company had 'Nil' foreign exchange earnings and had incurred an expenditure of ₹ 134 lakhs in foreign exchange.

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required to be disclosed in the Directors' Report pursuant to Section 197 (12) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure 'E'** to this Report.

During the Financial Year 2015-2016, 5 (five) persons employed throughout the financial year were in receipt of remuneration of not less than ₹ 60 lakhs per annum and 1 (one) person employed for part of the financial year was in receipt of remuneration of not less than ₹ 5 lakhs per month. The information as per Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the employees of the Company, forms part of this Annual Report. However, as per first proviso to Section 136 (1) of the Act and second proviso to Rule 5 (2) of the said Rules, the Annual Report and the Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5 (2) & (3) of the said Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. The said statement would also be available for inspection by the members at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting.

### PAYMENT OF REMUNERATION/COMMISSION TO EXECUTIVE DIRECTORS FROM SUBSIDIARY COMPANIES

During the year under review, neither the Executive Chairman nor the Managing Director were in receipt of any remuneration/commission from any of the subsidiary companies of the Company.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Company has constituted a Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules). The details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in the CSR Report appended as **Annexure 'F'** to this Report. Further, the CSR Policy has been uploaded on the Company website at the link : <http://hubtown.co.in/admin/uploaddir/HUBTOWN%20CSR%20POLICY.pdf>.

### INSURANCE :

All the insurable interests of your Company including inventories, buildings and other assets are adequately insured.

### CEO AND CFO CERTIFICATION :

A certificate from the Managing Director and the Chief Financial Officer, pursuant to Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year under review was placed before the Board of Directors of the Company at its meeting held on June 22, 2016 which is annexed to and forms part of the Corporate Governance Report.

### APPRECIATION AND ACKNOWLEDGEMENTS :

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Directors also take this opportunity to thank all Investors, Suppliers, Vendors, Banks, Financial Institutions, Business Associates, Contractors, Government and Regulatory Authorities and Stock Exchanges for their continued support during the year.

Your Directors would also like to thank the members for reposing their confidence and faith in the Company and its management.

### DISCLAIMER :

*Certain statements made in the Directors' Report and the Management Discussion and Analysis may constitute 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Several factors could make significant difference to the Company's operations that include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in interest rates, changes in government regulations, tax regimes, economic development within India and other incidental factors. The Company does not undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.*

For and on behalf of the Board

**Hemant M. Shah**  
Executive Chairman  
DIN : 00009659

Mumbai, June 22, 2016.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE 'A'

### REVISED NOMINATION AND REMUNERATION POLICY

[Effective from December 1, 2015]

#### 1. PREAMBLE :

- i. Pursuant to Section 178 (2) and (3) of the Companies Act, 2013 (the Act) and Part 'A' of Part 'D' of Schedule II to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015), provides inter-alia that :

*'The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to, the remuneration of the directors, key managerial personnel and other employees.'*

*'The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.'*

- ii. Therefore, in order to ensure compliance with the aforesaid provisions of the Act and SEBI Listing Regulations, 2015, the Nomination and Remuneration Committee (N&RC) of the Board of Directors of Hubtown Limited has formulated this Nomination and Remuneration Policy.
- iii. This Policy shall replace the existing Nomination and Remuneration Policy recommended by Nomination and Remuneration Committee and approved by the Board of Directors in its meeting held on February 12, 2015).

#### 2. GUIDING PRINCIPLES :

The objectives of this Policy is to ensure that :

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
- iii. Remuneration to Directors, Key Managerial Personnel and Senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

#### 3. DEFINITIONS :

- i. **'Board'** means the Board of Directors of the Company;
- ii. **'Company'** means 'Hubtown Limited;
- iii. **'Executive Directors'** shall mean the Wholetime Director and the Managing Director of the Company;
- iv. **'Independent Director'** means a director referred to in Section 149 (6) of the Companies Act, 2013;
- v. **'Key Managerial Personnel'** means
  - Chief Executive Officer or the Managing Director or the manager;
  - Company Secretary;
  - Wholetime Director;
  - Chief Financial Officer ; and
  - Such other officer as may be prescribed
- vi. **'Nomination and Remuneration Committee'** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 (1) of SEBI Listing Regulations, 2015;
- vii. **'Policy or This Policy'** means the 'Nomination and Remuneration Policy';
- viii. **'SEBI Listing Regulations, 2015'** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ix. **'Senior Management'** means personnel of the Company who are members of its core management team excluding the Board of Directors. This would include all members of management one level below the Executive Directors including all functional heads.

Words and Expressions used in this Policy but not defined shall have the same meaning as given in the Companies Act, 2013 read with the Rules made thereunder and SEBI Listing Regulations, 2015, as may be amended from time to time.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Revised Nomination and Remuneration Policy (Contd.)

#### 4. TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE :

The terms of reference of the Nomination and Remuneration Committee (N&RC) are as under :

- i. to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this Policy. recommend to the Board their appointment and removal;
- ii. to carry out evaluation of every director's performance;
- iii. to formulate the criteria for determining the qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors;
- iv. to formulate the criteria for evaluation of Independent Directors and the Board;
- v. to devise a policy on Board diversity;
- vi. to recommend/review the remuneration of the Wholtime Director(s) and the Managing Director based on their performance and defined assessment criteria;
- vii. to ensure that the level and composition of remuneration is reasonable and sufficient and the relationship of remuneration to performance is clear and meets appropriate performance benchmark;
- viii. to assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management;
- ix. to carry out any other functions as may be mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable; and
- x. to carry out such other functions as may be necessary or appropriate for the performance of its duties.

#### 5. MEMBERSHIP OF THE N&RC COMMITTEE :

- i. The Committee shall consist of atleast 3 (three) Directors, all of whom shall be Non-Executive Directors and atleast half of such Directors shall be Independent Directors;
- ii. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement;
- iii. Minimum 2 (two) members shall constitute a quorum for the Committee meeting;
- iv. Membership of the Committee shall be disclosed in the Annual Report;
- v. Terms of the Committee shall continue unless terminated by the Board.
- vi. The Chairperson of the Company may be appointed as a member of the Company but shall not chair such Committee.

#### 6. CHAIRMAN OF THE N&RC COMMITTEE :

- i. The Chairman of the Committee shall be an Independent Director;
- ii. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as a Chairman;
- iii. The Chairman of the Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### 7. FREQUENCY OF MEETINGS :

The meeting of the Committee shall be held at such regular intervals as may be required.

#### 8. N&RC COMMITTEE MEMBERS' INTEREST :

- i. A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at a meeting or when his or her performance is being evaluated; and
- ii. The Committee may invite such Executives of the Company, as it considers appropriate, to be present at the meetings of the Committee.

#### 9. SECRETARY OF N&RC COMMITTEE :

The Company Secretary of the Company shall act as Secretary of the Committee.



## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Revised Nomination and Remuneration Policy (Contd.)

#### 10. VOTING AT N&RC MEETINGS:

- i. Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee;
- ii. In the case of equality of votes, the Chairman of the meeting shall have a casting vote.

#### 11. APPOINTMENT AND REMOVAL OF EXECUTIVE AND NON-EXECUTIVE / INDEPENDENT DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL :

- **Appointment criteria and qualifications :**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment as per the Company's Policy;
- ii. A person should possess adequate qualification, expertise and experience for the position he/she is being considered for appointment, The Committee shall have the discretion to decide whether qualification, expertise and experience possessed by a person is/are sufficient / satisfactory for the concerned position; and
- iii. The Company shall not appoint or continue the employment of any person as Managing Director/Wholetime Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by a special resolution based on the explanatory statement annexed to the notice for such motion indicating justification for extension of appointment beyond seventy years.

- **Tenure of Office :**

##### **Executive Directors**

The Company shall appoint or reappoint any person as its Managing Director or Wholetime Director for a term not exceeding 5 (five) years at a time. No reappointment shall be made earlier than one year before the expiry of the term.

##### **Independent Director**

- i. An Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report;
- ii. An Independent Directors shall not be liable to retire by rotation.
- iii. No Independent Director shall hold office for more than two consecutive terms, but such independent Director shall be eligible for appointment after the expiry of three years of ceasing to be an Independent Director;  
Provided that the Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any capacity, either directly or indirectly; and
- iv. At the time of appointment of an Independent Director, the Committee shall ensure that the no. of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Wholetime Director of a listed company.

- **Evaluation :**

- i. The Committee shall carry out evaluation of performance of each Director on a yearly basis;
- ii. The Committee shall monitor and review Board evaluation framework, conduct an assessment of the performance of the Board, each Board Committee, the Independent Directors and the Chairperson of the Board against criteria determined and approved by the Committee;
- iii. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, on the basis of recommendations of the Committee (excluding the Director being evaluated);
- iv. The Independent Directors shall review the performance of Non-Independent Directors and the Board as a whole;
- v. The Independent Directors shall review the performance of the Chairperson of the Company taking into account the view of the Committee, and the Non-Executive Directors; and
- vi. The criteria for performance evaluation is given in **Annexure 'I'**. However, these criteria are only suggestive and the Board /Directors may consider such other criteria as it/they may deem necessary for effective evaluation of performance.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Revised Nomination and Remuneration Policy (Contd.)

- **Removal :**

Due to any reason for any disqualification mentioned in the Companies Act, 2013, the Rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend to the Board with reasons recorded in writing, the removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, Rules and Regulations and the Policy of the Company.

- **Retirement :**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and the Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 12. POLICY RELATING TO THE REMUNERATION OF EXECUTIVE AND NON-EXECUTIVE / INDEPENDENT DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL :

- **Remuneration Policy for Executive Directors :**

- i. The remuneration and commission to be paid to the Executive Directors shall be as per the statutory provisions of the Companies Act, 2013 and the Rules made thereunder, for the time being in force;
- ii. Payment of remuneration to the Executive Directors is governed by the respective agreements executed between each of such Executive Directors and the Company;
- iii. The remuneration / commission to be paid to the Executive Directors will be determined by the Committee and recommended to the Board for approval.
- iv. The break-up of the pay scale and the quantum of perquisites and allowances shall be decided by the Committee;
- v. The remuneration / commission, etc. shall be subject to prior/post approval of the shareholders of the Company and the Central Government, wherever required;
- vi. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the time scale approved by the shareholders. The effective dates of increments shall be at the discretion of the Board;
- vii. If, in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V to the said Act and if it is not able to comply with such provision, with the prior approval of the Central Government;
- viii. If any Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of such sum refundable to it unless permitted by the Central Government.

- **Remuneration Policy for Non-Executive / Independent Directors :**

- i. The remuneration and commission to be paid to the Non-Executive / Independent Directors shall be in accordance with the statutory provisions of the Companies Act, 2013 and the Rules made thereunder for the time being in force;
- ii. The Non-Executive/Independent Directors are paid remuneration by way of fees for attending the meeting of the Board/Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 per meeting of the Board/Committee or such amount as may be prescribed by the Central Government from time to time;
- iii. The commission may be paid within the monetary limits approved by the shareholders, subject to the limits not exceeding 1 % of the net profit of the Company computed as per the applicable provisions of the Companies Act, 2013 and
- iv. An Independent Director shall not be entitled to any stock option of the Company.

The overall managerial remuneration shall not exceed 11 % (eleven) percent of the net profit of the Company computed in the manner laid down in Section 198 of the Act.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Revised Nomination and Remuneration Policy (Contd.)

- **Remuneration for KMP, Senior Managerial Personnel and Other Employees:**
  - i. This Policy aims at attracting, retaining and motivating high caliber talent and ensures equity, fairness and consistency in rewarding the employees.
  - ii. The performance of the individual, as well as that of the Company forms the basis of this Policy.
  - iii. The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR Policies and/or as may be approved by the Committee;
  - iv. The salary structure of the employees including KMP and Senior Management comprises of basic salary, perquisites, allowances and performance incentive. The salary involves a balance between fixed and variable pay which reflects the performance objective of the individual as against the earmarked Key Performance Indicator and the strategic objective and the performance of the Company.
  - v. The components of total remuneration vary for different grades of employees and are based on the qualifications and experience of the employee, responsibilities handled and the individual performance.
  - vi. In case any of the relevant Statute/Rules/Regulations require that the remuneration of KMPs, Senior Management or other employees of the Company is to be specifically approved by the Committee and/or the Board of Directors, then such approval(s) shall accordingly be obtained.

#### 13. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS :

The Company shall familiarize the Independent Directors with the Company, its business model, their roles, rights, duties and responsibilities in the Company, the nature of the industry in which the Company operates, through various programmes.

The details of such programmes shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

#### 14. INSURANCE POLICY :

Where any insurance policy is taken by the Company on behalf of the Executive Directors, Non-Executive and Independent Directors, KMP, Senior Management Personnel and any other employees of the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### 15. IMPLEMENTATION OF THE POLICY :

The N&RC Committee may issue guidelines, procedures, formats, reporting mechanism and manuals as supplement(s) to this Policy and for better implementation thereof.

#### 16. DELEGATION OF AUTHORITY :

The Committee may delegate any of its powers to one or more of its members as may be deemed necessary for proper and expeditious implementation.

#### 17. DEVIATIONS FROM THE POLICY :

Deviations from elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company shall be made if there are specific reason to do so in an individual case.

#### 18. EXTERNAL ASSISTANCE :

The Committee, may in its sole discretion, seek the advice of external experts/consultants at the Company's expense for enabling it to discharge its duties and responsibilities.

#### 19. DISCLOSURE OF THE POLICY:

This Policy and the evaluation criteria shall be uploaded on the Company's website and be also disclosed in the Annual Report as part of the Board's Report therein.

#### 20. AMENDMENTS TO THE POLICY :

This Policy is based on the requirements of the Companies Act, 2013 read with the Rules made thereunder and SEBI Listing Regulations, 2015. In case of any amendment(s), clarification(s), circular(s), etc., issued by the relevant authorities, not being consistent with the provisions of this Policy, then such amendment(s), clarification(s), circular(s), etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date stated under such amendment(s), The provisions in this Policy would then be modified in due course to make it/them consistent with law.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### SUCCESSION PLAN FOR APPOINTMENT TO THE BOARD AND SENIOR MANAGEMENT

#### 1. INTRODUCTION :

Regulation 17 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) provides that the Board of every listed company shall satisfy itself that plans are in place for orderly succession for appointment to the Board of Director and Senior Management. Regulation 16 (1) (d) of the Listing Regulations defines 'Senior Management' to mean officers /personnel of the listed entity who are members of its core management and normally this shall comprise all members of the management one level below the executive directors including all functional heads.

#### 2. OBJECTIVE :

The objective of this Policy is to make a plan for orderly succession for appointment to the Board and the Senior Management.

#### 3. PROCESS :

##### I. Board Level Appointment(s) :

The Nomination and Remuneration Committee of the Board of Directors of the Company shall identify suitable persons from among the existing top management or from the external sources to fill up the vacancy at the Board level. The appointment of such person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the terms of Corporate Governance under the Listing Regulations.

##### II. Senior Management Level Appointment :

The vacancy at Senior Management Level shall be filled up by the Chairman or the Managing Director as the case may be in line with the HR Policy adopted by the management, keeping in view the Company's mission, vision, values, goals and objectives.

#### 4. REVIEW OF THE POLICY :

The Board shall review the Succession Policy periodically and if required, will make suitable changes keeping in view the regulatory changes or changes in the business/industry norms.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE – I

### PERFORMANCE EVALUATION CRITERIA

1. Section 178 (2) of the Companies Act, 2013 stipulates that the Nomination and Remuneration Committee of Directors shall carry out evaluation of every Director's performance.
2. Para 'A' of Part 'D' of Schedule II to SEBI Listing Regulations, 2015 provides that the Nomination and Remuneration Committee shall formulate criteria for evaluation of Independent Directors and the Board.
3. Pursuant to Regulation 25 (3) and (4) of SEBI Listing Regulations, 2015, the Independent Directors shall hold atleast one meeting in a year without the presence of non-independent directors and members of the management to inter-alia :
  - i. Review the performance of the non-independent directors and the Board as a whole;
  - ii. Review the performance of the Chairperson of the Company, taking into account the view of the Executive Directors and Non-Executive Directors; and
  - iii. Assess the quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonable perform their duties.
4. Pursuant to Regulation 17 (10) of SEBI Listing Regulations, 2015, the performance evaluation of the Independent Directors shall be done by the entire Board excluding the Director being evaluated.
5. Section 134 (3) (p) of the Companies Act, 2013 provides that there shall be attached to the Board's Report, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
6. The assessment criteria for determining the effectiveness of Board / Director's performance is given below. However, these criteria are only suggestive / illustrative and the Board/ Directors may consider such other criteria as they may deem necessary for effective evaluation of performance.

#### BOARD OF DIRECTORS :

1. Leadership.
2. Stewardship.
3. Contribution to achievement of corporate objectives.
4. Contribution to robust and effective risk management.
5. Communication of expectations and concerns clearly.
6. Assuring appropriate Board size, composition, independence, structure.
7. Timely resolution of issues at meetings.
8. Identify, monitor and mitigate significant corporate risks.
9. Effective meetings.
10. Company's approach to Corporate Governance.
11. Clearly defining roles and monitoring activities of Committees.
12. Review of Company's ethical conduct.
13. Assess policies, structures and procedures.
14. Communication of the Board with the management team, key managerial personnel and other employees.
15. Regular monitoring of corporate results against projections.
16. Accountability.
17. Review and approval of strategic operational plans, objectives and budgets.
18. Board's relationships inside and outside the boardroom.
19. Board's handling of crisis or problems.
20. Adequacy and quality of feedback to the management on its requirements.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Performance Evaluation Criteria (Contd.)

#### COMMITTEE OF BOARD OF DIRECTORS :

1. Suitability of matters reserved for the Committee(s).
2. Diversity of experiences, backgrounds and appropriate composition.
3. Committee monitors compliance with corporate governance norms, law, regulations and guidelines.
4. Communication of the Committee(s) with the management team, key management personnel and other employees.
5. Committee demonstrates integrity, credibility, trustworthiness, willingness to actively participate, ability to constructively handle conflict, interpersonal skills, and proactiveness.
6. Committee dedicates appropriate time and resources to execute its responsibilities.
7. Committee meetings are conducted in an effective manner, with time being spent primarily on significant issues.
8. The quality and timeliness of the flow of information to the Committee.
9. Adequacy and quality of feedback by the Committee(s) to the management on its requirements.

#### NON-EXECUTIVE DIRECTORS :

1. Contribution to corporate leadership and stewardship.
2. Commercial and business acumen.
3. Familiarity with the Company's operations and the industry in which the Company operates.
4. Contribution to achievement of corporate objectives.
5. Constructive contribution to resolution of issues at meetings.
6. Promotion of the Company's interest externally.
7. Interpersonal relationship with other Directors and management.
8. Level of ethical awareness
9. Willingness to devote necessary time including attendance at meetings, extent of preparedness for meetings, willingness to participate in Committee work.
10. Effective and proactive follow-up on any areas of concern.
11. Updated on the latest developments in areas such as corporate governance framework and financial reporting, the industry and market conditions.

#### INDEPENDENT DIRECTORS (ID) :

1. Level of preparedness for the meetings of the Board / Committee.
2. Willingness to devote time and effort to understand the Company and its business model.
3. Quality and value of their contribution to the Board / Committee deliberations.
4. Attendance at the meetings of the Board / Committee(s) of which he/she is a member.
5. Helps in bringing an independent judgment to bear on the Board's deliberations.
6. Relationship with fellow Board members. the management team, key management personnel and other employees.
7. Knowledge and understanding of current industry and market conditions.
8. Effective and proactive follow-up on any areas of concern.
9. Refrains from any action that would lead to loss of his / her independence.
10. Participates constructively and actively in the Committees of the Board of which he/she is a Chairperson or member.
11. Exercises his / her responsibilities in a bonafide manner in the interest of the Company.
12. Devotes sufficient time and attention to his / her professional obligations for informed and balanced decision making.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### Performance Evaluation Criteria (Contd.)

#### EXECUTIVE DIRECTORS :

1. Actively manages shareholder, board, management and employee relationships and interests.
2. Meets with the potential investors – equity and debt capital.
3. Manages shareholder meetings effectively and promotes a sense of participation in all shareholders and shareholder confidence in the Board.
4. Promotes effective participation of all board members in the decision making process.
5. Demonstrates effective leadership of the Board .
6. Takes action correct deficiencies / short comings noted.
7. Provides opportunities to the Board members to raise issues and express concerns on significant matters.
8. Relationship and communication within the Board is constructive.

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE 'B'

### FORM NO. MR - 3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2016

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Hubtown Limited  
Ackruti Center Point,  
6th floor, Central Road,  
Marol MIDC, Andheri (E),  
Mumbai 400 093.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hubtown Limited (hereinafter called the Company). The Secretarial Audit was conducted in a manner which provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during audit period);
- (vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure I.



## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s);
- (iii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; (with effect from December 1, 2015)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report, that the correctness and appropriateness of financial records and books of accounts of the Company and the compliance by the Company of applicable direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by the Statutory Auditor and other designated professionals.

**I further report that** during the audit period the Company has passed following special resolution which has major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Authority to Board of Directors of the Company to make offer(s) or invitation(s) for subscription to Non Convertible Debentures for an amount not exceeding Rs. 5000 crore on private placement basis.

**For Ashish Bhatt & Associates**

**Ashish Bhatt**

Practicing Company Secretary  
FCS No: 4650  
C.P. No. 2956

Place: Thane

Date: June 22, 2016

**ANNEXURE I**

### LIST OF APPLICABLE LAWS TO THE COMPANY

Under the Major Group and Head

1. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
2. Acts prescribed under prevention and control of pollution;
3. Acts prescribed under Environmental protection;
4. Land Revenue laws of respective States;
5. Labour Welfare Act of respective States;
6. Trade Marks Act 1999 & Copy Right Act 1957
7. Acts as prescribed under Shop and Establishment Act of various local authorities.
8. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

**For Ashish Bhatt & Associates**

**Ashish Bhatt**

Practicing Company Secretary  
FCS No: 4650  
C.P. No. 2956

Place: Thane

Date: June 22, 2016

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE 'C'

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L45200MH1989PLC050688
2.	Registration Date	16-02-1989
3.	Name of the Company	Hubtown Limited
4.	Category/Sub-category of the Company	Company having Share Capital
5.	Address of the Registered office & contact details	Akruti Center Point, 6th Floor, Central Road, Marol MIDC, Andheri (East), Mumbai – 400093. Tel: 022 67037400; Fax: 022 6707403
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078 Tel No.: 022 25963838; Fax: 022 25946969 E-mail: rnt.helpdesk@linkintime.co.in

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sr. No.	Name and description of Main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Real Estate Construction and Development	4100	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	<b>ABP Realty Advisors Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U67190MH2007PTC172390	Subsidiary	100%	2(87)(ii)
2	<b>Akruti Safeguard Systems Private Limited</b> D-89/3, TTC Industrial Area, MIDC Turbhe, Navi Mumbai, Thane - 400705	U51909MH1999PTC176073	Subsidiary	88.27%	2(87)(ii)
3	<b>Citywood Builders Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U45202MH2009PTC191711	Subsidiary	100%	2(87)(ii)
4	<b>Citygold Education Research Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U80100MH2006PLC158595	Subsidiary	2.17%	2(87)(i)
5	<b>Citygold Farming Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U01122MH2006PTC163517	Subsidiary	0.38%	2(87)(i)

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
6	<b>Devkrupa Build Tech Limited</b> Raheja Chamber, Office No. 317, 3rd Floor, Free Press Marg, Nariman Point, Mumbai – 400021	U74140MH2006PLC166596	Subsidiary	51%	2(87)(ii)
7	<b>Diviniti Projects Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U70100MH1995PTC087713	Subsidiary	100%	2(87)(ii)
8	<b>Gujarat Akruiti - TCG Biotech Limited</b> 102, Sarthik Square, Plot No. 357, Bodakdev, Ahmedabad, Gujarat - 380015	U70102GJ2007PLC050966	Subsidiary	74%	2(87)(ii)
9	<b>Halitious Developer Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U70101MH2007PLC172784	Subsidiary	100%	2(87)(ii)
10	<b>Headland Farming Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U74999MH2006PTC163511	Subsidiary	100%	2(87)(ii)
11	<b>Heddle Knowledge Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U01122MH2006PTC163518	Subsidiary	100%	2(87)(ii)
12	<b>Heet Builders Private Limited</b> 72, Nakhodia Street, 1st Floor, J R Shetty Building, Pydhonie, Mumbai - 400 003	U70102MH1985PTC037030	Subsidiary	94.40%	2(87)(ii)
13	<b>India Development And Construction Venture Capital Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U67190MH2007PTC172391	Subsidiary	100%	2(87)(ii)
14	<b>Joynest Premises Private Limited</b> CTS No. 469-A, Chembur, Mumbai - 400071 w.e.f. 17/03/2010	U45202MH2008PTC183715	Subsidiary	62.07%	2(87)(ii)
15	<b>Twenty Five South Realty Limited</b> Hindoostan Mills Compound, Kashinath Dhuri Marg, Patilwadi, Off Veer Savarkar Road, Prabhadevi, Mumbai – 400025	U51100MH1996PLC100876	Subsidiary	47.49%	2(87)(i)
16	<b>Upvan Lake Resorts Private Limited</b> B-5, Building No 9, Devidaya Nagar, Pokhran Road No 1, Thane 400606	U55204MH2008PTC183084	Subsidiary	75%	2(87)(ii)
17	<b>Urvi Build Tech Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U15400MH1996PLC101031	Subsidiary	100%	2(87)(ii)
18	<b>Vama Housing Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U45200MH1995PLC085167	Subsidiary	100%	2(87)(ii)
19	<b>Vega Developers Private Limited</b> 14, Ashok Niwas, Ground Floor, South Pond Road, Vile Parle (West), Mumbai - 400056	U45200MH2006PTC159794	Subsidiary	100%	2(87)(ii)
20	<b>Vishal Techno Commerce Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U45200MH1986PLC041348	Subsidiary	100%	2(87)(ii)

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
21	<b>Yantti Buildcon Private Limited</b> G2, Plumeria Apartments, No.1, John Armstrong Road, Richards Town, Bangalore, Karnataka - 560005	U45201KA2009PTC052006	Subsidiary	100%	2(87)(ii)
22	<b>Pristine Developers Private Limited</b> 3, Narayan Building, 23 L N Road, Dadar (East), Mumbai - 400 014	U45200MH2005PTC152142	Associate	40%	2(6)
23	<b>Shubhsiddhi Builders Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U70100MH2006PTC159241	Associate	50%	2(6)
24	<b>Vinca Developer Private Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U45202MH2008PTC185408	Associate	0.05%	2(6)
25	<b>Whitebud Developers Limited</b> Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093	U70100MH1994PLC082882	Associate	50%	2(6)
26	<b>Hubtown Bus Terminal (Adajan) Private Limited</b> Adajan Bus Depot, Near Shital Police Chowki, Adajan Patia, Surat -395009, Gujarat	U45203GJ2008PTC069636	Associate	47.28%	2(6)
27	<b>Hubtown Bus Terminal (Ahmedabad) Private Limited</b> 102, Sarthik Square, Plot No. 357, Bodakdev, Ahmedabad – 380015, Gujarat	U60200GJ2009PTC058763	Associate	46.30%	2(6)
28	<b>Hubtown Bus Terminal (Mehsana) Private Limited</b> GSRTC Quarters Class-II, Block No. 2, Ground Floor, Behind Vibhagiya Kacheri, Modhera Crossing, Mehsana, Mehsana - 384002, Gujarat.	U45400GJ2008PTC069638	Associate	42.86%	2(6)
29	<b>Hubtown Bus Terminal (Vadodara) Private Limited</b> Makarpura Bus Depot, Nr.G.I.D.C, Opp. Toyota Show Room, Makarpura Main Road, Vadodara - 390010, Gujarat.	U45203GJ2008PTC069640	Associate	47.22%	2(6)
30	<b>Joyous Housing Limited (Formerly known as Joyous Housing Private Limited)</b> Tulsiwadi Project Office, Ambedkar Nagar, S.K. Rathod Marg, Behind Income Tax office, Tardeo, Mumbai – 400034.	U70100MH1995PLC092856	Associate	25%	2(6)
31	<b>Rare Townships Private Limited</b> No. 24, CTS No.194 B, Nirankari Baba Ground, Opp. Great Height, Ghatkopar - Mankhurd Link Road, Chheda Nagar, Chembur - 400 071	U70102MH2000PTC126999	Associate	35.10%	2(6)
32	<b>Sunstream City Private Limited</b> Akruti Trade Centre, Road No. 7, Marol MIDC, Andheri (East), Mumbai - 400 093.	U99999MH2006PTC182177	Associate	43%	2(6)
33	<b>Giraffe Developers Private Limited</b> 111, G-Wing, Akruti Commercial Complex Co-Op. Soc. Ltd., next to Akruti Centre Point, Andheri (East), Mumbai - 400 093.	U51900MH2006PTC159247	Associate	7.20%	2(6)

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
(1)	<b>Indian</b>									
(a)	Individual/ HUF	53711816	0	53711816	73.85	51536816	0	51536816	70.85	(3.00)
(b)	Central Govt	0	0	0	0	0	0	0	0	0
(c)	State Govt(s)	0	0	0	0	0	0	0	0	0
(d)	Bodies Corp.	600000	0	600000	0.82	600000	0	600000	0.82	0
(e)	Banks / FI	0	0	0	0	0	0	0	0	0
(f)	Any other	0	0	0	0	0	0	0	0	0
	<b>Total share-holding of Promoter (A)(1)</b>	54311816	0	54311816	74.67	52136816	0	52136816	71.67	(3.00)
(2)	<b>Foreign</b>									
(a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b)	Other – Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
(d)	Banks / FI	0	0	0	0	0	0	0	0	0
(e)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A) (2)</b>	0	0	0	0	0	0	0	0	0
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	54311816	0	54311816	74.67	52136816	0	52136816	71.67	(3.00)
<b>B.</b>	<b>Public Shareholding</b>									
1.	<b>Institutions</b>									
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0
(b)	Banks / FI	34303	0	34303	0.05	175550	0	175550	0.24	0.19
(c)	Central Govt	5	0	5	0	5	0	5	0	0
(d)	State Govt(s)	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	56937	0	56937	0.08	56937	0	56937	0.08	0
(g)	FIs	67924	0	67924	0.09	2659500	0	2659500	3.66	3.57
(h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)	Others (specify)	0	0	0	0	0	0	0	0	0
	<b>Sub-total (B)(1):-</b>	159169	0	159169	0.22	2891992	0	2891992	3.98	3.76
2.	<b>Non-Institutions</b>									
(a)	<b>Bodies Corp.</b>									
(i)	Indian	10228857	0	10228857	14.06	9942530	0	9942530	13.67	(0.39)
(ii)	Overseas									
(b)	<b>Individuals:</b>	0	0	0	0	0	0	0	0	0
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	2029178	342	2029520	2.79	1381744	342	1382086	1.9	(0.89)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3664635	0	3664635	5.04	3639956	0	3639956	5	(0.04)
(c)	<b>Others (specify)</b>									
(i)	Trusts	45	0	45	0	45	0	45	0	0
(ii)	Non-Resident Indians	2018916	0	2018916	2.78	2314544	0	2314544	3.18	0.4
(iii)	Hindu Undivided Family	0	0	0	0	113189	0	113189	0.16	0.16
(iv)	Overseas Corporate Bodies	11	0	11	0	11	0	11	0	0
(v)	Clearing Members	322902	0	322902	0.44	314702	0	314702	0.43	0.01
	<b>Sub-total (B)(2)</b>	18264544	342	18264886	25.11	17706721	342	17707063	24.34	(0.77)
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	18423713	342	18424055	25.33	20598713	342	20599055	28.32	2.99
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	72735529	342	72735871	100	72735529	342	72735871	100	0

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### ii) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year [As 31-March-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Hemant M. Shah	5800000	7.97	7.97	<b>5800000</b>	<b>7.97</b>	<b>7.97</b>	<b>0.00</b>
2	Vyomesh M. Shah	7540000	10.37	10.35	<b>7540000</b>	<b>10.37</b>	<b>10.35</b>	<b>0.00</b>
3	Mahipatray V. Shah HUF	9600000	13.20	13.19	<b>9600000</b>	<b>13.20</b>	<b>11.82</b>	<b>0.00</b>
4	Hemant M. Shah HUF	4980500	6.85	6.16	<b>4980500</b>	<b>6.85</b>	<b>6.16</b>	<b>0.00</b>
5	Vyomesh M. Shah HUF	4100000	5.64	5.64	<b>3925000</b>	<b>5.40</b>	<b>5.40</b>	<b>(0.24)</b>
6	Kunjai H. Shah	5308000	7.30	3.71	<b>3308000</b>	<b>4.55</b>	<b>3.78</b>	<b>(2.75)</b>
7	Falguni V. Shah	5993316	8.24	8.12	<b>5993316</b>	<b>8.24</b>	<b>8.12</b>	<b>0.00</b>
8	Rushank V. Shah	1600000	2.20	2.20	<b>1600000</b>	<b>2.20</b>	<b>2.20</b>	<b>0.00</b>
9	Khilen V. Shah	2600000	3.57	3.55	<b>2600000</b>	<b>3.57</b>	<b>3.13</b>	<b>0.00</b>
10	Kushal H. Shah	3600000	4.95	3.85	<b>3600000</b>	<b>4.95</b>	<b>3.85</b>	<b>0.00</b>
11	Lata M. Shah	2400000	3.30	3.30	<b>2400000</b>	<b>3.30</b>	<b>3.30</b>	<b>0.00</b>
12	Hemant M. Shah and Vyomesh M. Shah	190000	0.26	0.19	<b>190000</b>	<b>0.26</b>	<b>0.19</b>	<b>0.00</b>
13	Ukay Valves and Founders Private Limited	300000	0.41	0.00	<b>300000</b>	<b>0.41</b>	<b>0.00</b>	<b>0.00</b>
14	Vishwajeet Consultancy Private Limited	300000	0.41	0.00	<b>300000</b>	<b>0.41</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total</b>	<b>54311816</b>	<b>74.67</b>	<b>68.23</b>	<b>52136816</b>	<b>71.68</b>	<b>66.27</b>	<b>(2.99)</b>

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Vyomesh M Shah HUF</b>				
	At the beginning of the year (April 01, 2015)	4100000	5.64	4100000	5.64
	Shares invoked on March 23, 2016	(175000)	(0.24)	3925000	5.40
	At the end of the year (March 31, 2016)	—	—	3925000	5.40
<b>2.</b>	<b>Kunjai Shah</b>				
	At the beginning of the year (April 01, 2015)	5308000	7.30	5308000	7.30
	Shares invoked on December 31, 2016	(2000000)	(2.75)	3308000	4.55
	At the end of the year (March 31, 2016)	—	—	3308000	4.55

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>LSO SUBCO NO.2 COMPANY</b>				
	At the beginning of the year (April 01, 2015)	—	—	—	—
	Purchase of Shares on 30-09-2015	704000	0.9679	704000	0.9679
	Purchase of Shares on 09-10-2015	690000	0.9486	1394000	1.9165
	Purchase of Shares on 30-10-2015	667000	0.9170	2061000	2.8335
	Purchase of Shares on 06-11-2015	591700	0.8135	2652700	3.6470
	At the end of the year (March 31, 2016)	—	—	2652700	3.6470
2	<b>ANAND RATHI GLOBAL FINANCE LIMITED</b>				
	At the beginning of the year (April 01, 2015)	2142742	2.9459	2142742	2.9459
	Sale of Shares on 24-04-2015	(515000)	(0.7080)	1627742	2.2379
	Sale of Shares on 01-05-2015	(862872)	(1.1863)	764870	1.0516
	Sale of Shares on 05-06-2015	(761998)	(1.0477)	2872	0.0039
	Purchase of Shares on 03-07-2015	2127000	2.9243	2129872	2.9282
	Sale of Shares on 30-09-2015	(2)	0.0000	2129870	2.9282
	Sale of Shares on 31-03-2016	(129870)	(0.1785)	2000000	2.7497
At the end of the year (March 31, 2016)	—	—	2000000	2.7497	
3	<b>NILESH RAMESHCHANDRA PETHANI</b>				
	At the beginning of the year (April 01, 2015)	1524287	2.0956	1524287	2.0956
	Purchase of Shares on 10-07-2015	90000	0.1238	1614287	2.2194
	Purchase of Shares on 04-12-2015	120000	0.1650	1734287	2.3844
	Purchase of Shares on 12-02-2016	56589	0.0778	1790876	2.4622
	Purchase of Shares on 04-03-2016	50000	0.0687	1840876	2.5309
	At the end of the year (March 31, 2016)	—	—	1840876	2.5309
4	<b>CITY GOLD INVESTMENTS PRIVATE LIMITED</b>				
	At the beginning of the year (April 01, 2015)	1303340	1.7919	1303340	1.7919
	Purchase of Shares on 10-04-2015	4500	0.0062	1307840	1.7981
	Purchase of Shares on 01-05-2015	21300	0.0293	1329140	1.8274
	Purchase of Shares on 08-05-2015	45110	0.0620	1374250	1.8894
	Purchase of Shares on 15-05-2015	21072	0.0289	1395322	1.9183
	Purchase of Shares on 22-05-2015	22258	0.0306	1417580	1.9489
	Purchase of Shares on 29-05-2015	18150	0.025	1435730	1.9739
	Purchase of Shares on 05-06-2015	10800	0.0148	1446530	1.9887
	Sale of Shares on 31-07-2015	(50000)	(0.0687)	1396530	1.9200
	Purchase of Shares on 07-08-2015	13904	0.0191	1410434	1.9391
	Purchase of Shares on 14-08-2015	27107	0.0373	1437541	1.9764
	Purchase of Shares on 21-08-2015	1358467	1.8677	2796008	3.8441
	Purchase of Shares on 28-08-2015	71324	0.098	2867332	3.9421
	Purchase of Shares on 04-09-2015	12754	0.0176	2880086	3.9597
	Purchase of Shares on 11-09-2015	26603	0.0365	2906689	3.9962
	Purchase of Shares on 18-09-2015	4303	0.0059	2910992	4.0021
	Sale of Shares on 25-09-2015	(1414814)	(1.9451)	1496178	2.0570
	Sale of Shares on 30-09-2015	(660161)	(0.9076)	836017	1.1494
	Purchase of Shares on 09-10-2015	789206	1.085	1625223	2.2344

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Purchase of Shares on 16-10-2015	102786	0.1413	1728009	2.3757
	Sale of Shares on 23-10-2015	(685462)	(0.9424)	1042547	1.4333
	Sale of Shares on 30-10-2015	(561961)	(0.7726)	480586	0.6607
	Purchase of Shares on 06-11-2015	24245	0.0334	504831	0.6941
	Purchase of Shares on 13-11-2015	525	0.0007	505356	0.6948
	Purchase of Shares on 20-11-2015	6140	0.0084	511496	0.7032
	Purchase of Shares on 27-11-2015	4687	0.0065	516183	0.7097
	Purchase of Shares on 04-2-2016	5300	0.0073	521483	0.7170
	Sale of Shares on 08-01-2016	(221483)	(0.3045)	300000	0.4125
	Purchase of Shares on 15-01-2016	221483	0.3045	521483	0.7170
	Purchase of Shares on 22-01-2016	17799	0.0244	539282	0.7414
	Purchase of Shares on 29-01-2016	18591	0.0256	557873	0.7670
	Purchase of Shares on 05-02-2016	17001	0.0234	574874	0.7904
	Purchase of Shares on 12-02-2016	19414	0.0266	594288	0.8170
	Purchase of Shares on 19-02-2016	11202	0.0155	605490	0.8325
	Sale of Shares on 26-02-2016	(305490)	(0.4200)	300000	0.4125
	Purchase of Shares on 04-03-2016	332943	0.4577	632943	0.8702
	Purchase of Shares on 11-03-2016	1426347	1.9610	2059290	2.8312
	Purchase of Shares on 18-03-2016	14045	0.0193	2073335	2.8505
	At the end of the year (March 31, 2016)	—	—	2073335	2.8505
5	<b>SPACELINE PROJECTS PRIVATE LIMITED</b>				
	At the beginning of the year (April 01, 2015)	1427264	1.9623	1427264	1.9623
	No change in shareholding during the year				
	At the end of the year (March 31, 2016)	—	—	1427264	1.9623
6	<b>CELLO PENS AND STATIONERY PRIVATE LIMITED</b>				
	At the beginning of the year (April 01, 2015)	960000	1.3198	960000	1.3198
	No change in shareholding during the year				
	At the end of the year (March 31, 2016)	—	—	960000	1.3198
7	<b>PANKAJ LATA NIGAM</b>				
	At the beginning of the year (April 01, 2015)	932484	1.2820	932484	1.2820
	Sale of Shares on 19-06-2015	(20000)	(0.0275)	912484	1.2545
	Purchase of Shares on 25-09-2015	912484	1.2545	1824968	2.5090
	Sale of Shares on 30-09-2015	(912484)	(1.2545)	912484	1.2545
	At the end of the year (March 31, 2016)	—	—	912484	1.2545
8	<b>PRAKHAR ADVISORS AND TRADERS PRIVATE LIMITED</b>				
	At the beginning of the year (April 01, 2015)	869000	1.1947	869000	1.1947
	No change in shareholding during the year				
	At the end of the year (March 31, 2016)	—	—	869000	1.1947
9	<b>DLF RETAIL DEVELOPERS LIMITED</b>				
	At the beginning of the year (April 01, 2015)	430621	0.592	430621	0.592
	No change in shareholding during the year				
	At the end of the year (March 31, 2016)	—	—	430621	0.592
10	<b>DARASHAW &amp; COMPANY PRIVATE LIMITED</b>				
	At the beginning of the year (April 01, 2015)	407000	0.5596	407000	0.5596
	No change in shareholding during the year				
	At the end of the year (March 31, 2016)	—	—	407000	0.5596



## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1)	<b>Mr. Hemant Shah (Whole Time Director)</b>				
	At the beginning of the year (April 01, 2015)	58,00,000	7.97	58,00,000	7.97
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2016)	58,00,000	7.97	58,00,000	7.97
2)	<b>Mr. Vyomesh Shah (Managing Director)</b>				
	At the beginning of the year (April 01, 2015)	75,40,000	10.37	75,40,000	10.37
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2016)	75,40,000	10.37	75,40,000	10.37
3)	<b>Mr. Arvind Kumar Joshi (Independent Director upto April 29, 2016)</b>				
	At the beginning of the year (April 01, 2015)	—	—	—	—
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2016)	—	—	—	—
4)	<b>Mr. Abhijit Datta (Independent Director)</b>				
	At the beginning of the year (April 01, 2015)	—	—	—	—
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2016)	—	—	—	—
5)	<b>Mr. Sunil Shah (Independent Director)</b>				
	At the beginning of the year (April 01, 2015)	—	—	—	—
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2016)	—	—	—	—
6)	<b>Ms. Priti Shah (Non-Executive Director)</b>				
	At the beginning of the year (April 01, 2015)	—	—	—	—
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2016)	—	—	—	—
7)	<b>Mr. Anil Ahluwalia (Chief Financial Officer)</b>				
	At the beginning of the year (April 01, 2015)	1	—	—	1
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2016)	1	—	—	1
8)	<b>Mr. Chetan Mody (Company Secretary)</b>				
	At the beginning of the year (April 01, 2015)	—	—	—	—
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year (March 31, 2016)	—	—	—	—

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### V. INDEBTEDNESS –

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i)	Principal Amount	8,960,167,191	3,707,488,026	—	12,667,655,217
ii)	Interest due but not paid	286,344,148	335,259,256	—	621,603,404
iii)	Interest accrued but not due	—	—	—	—
	<b>Total (i+ii+iii)</b>	<b>9,246,511,339</b>	<b>4,042,747,282</b>	<b>—</b>	<b>13,289,258,621</b>
<b>Change in Indebtedness during the financial year</b>					
	* Addition	7,485,566,052	5,037,752,341	—	12,523,318,393
	* Reduction	6,924,821,223	4,139,767,790	—	11,064,589,013
	Net Change	560,744,829	897,984,551	—	1,458,729,380
<b>Indebtedness at the end of the financial year</b>					
i)	Principal Amount	8,946,339,805	4,592,177,733	—	13,538,517,538
ii)	Interest due but not paid	650,966,362	348,554,100	—	999,520,462
iii)	Interest accrued but not due	209,950,000	—	—	209,950,000
	<b>Total (i+ii+iii)</b>	<b>9,807,256,168</b>	<b>4,940,731,833</b>	<b>—</b>	<b>14,747,988,001</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Hemant Shah (Executive Chairman)	Mr. Vyomesh Shah (Managing Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income—tax Act, 1961	70.20	62.40	132.60
	(b) Value of perquisites u/s 17(2) Income—tax Act, 1961	9.72	8.00	17.72
	(c) Profits in lieu of salary under section 17(3) Income— tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission			
	- as % of profit	—	—	—
	- others, specify...	—	—	—
5	Others, please specify	—	—	—
	<b>Total (A)</b>	<b>79.92</b>	<b>70.40</b>	<b>150.32</b>
	Ceiling as per the Act	₹ 182.30 Lakhs (being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013).		

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### B. Remuneration to other Directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Arvind Kumar Joshi	Mr. Abhijit Datta	Mr. Sunil Shah	Mrs. Priti Shah	
1	Independent Directors				-	
	Fee for attending Board/Committee meetings	4.00	4.00	3.30	—	11.30
	Commission	3.75	3.75	3.75	—	11.25
	Others, please specify	—	—	—	—	—
	<b>Total (1)</b>	—	—	—	—	22.55
2	Other Non-Executive Directors	—	—	—	—	—
	Fee for attending Board/Committee meetings	—	—	—	0.80	0.80
	Commission	—	—	—	3.75	3.75
	Others, please specify	—	—	—	—	—
	<b>Total (2)</b>	—	—	—	—	4.55
	<b>Total (B)=(1+2)</b>	—	—	—	—	27.10 (including sitting fees) 15.00 (excluding sitting fees)
	<b>Total Managerial Remuneration</b>	—	—	—	—	165.32
	Overall Ceiling as per the Act	₹ 200.53 lakhs being 11% of the net profit calculated as per Section 198 of the Companies Act, 2013.				

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Chetan Mody (Company Secretary)	Mr. Anil Ahluwalia (CFO)	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	35.00	42.00	77.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission	—	—	—
	- as % of profit	—	—	—
	others, specify	—	—	—
5	Others, please specify	—	—	—
	<b>Total</b>	35.00	42.00	77.00

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief	Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A.</b>	<b>COMPANY</b>					
	Penalty	—	—	—	—	—
	Punishment	—	—	—	—	—
	Compounding	—	—	—	—	—
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty	—	—	—	—	—
	Punishment	—	—	—	—	—
	Compounding	—	—	—	—	—
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty	—	—	—	—	—
	Punishment	—	—	—	—	—
	Compounding	—	—	—	—	—

# HUBTOWN

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE 'D'

### FORM No – AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO**

#### 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
—	—	—	—	—	—	—	—

#### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Hemant M. Shah and Vyomesh M. Shah- Promoters	Acquisition of shares	One time transaction	The Company acquired from Distinctive Realty Private Limited, 8,114 equity shares of Twenty Five South Realty Limited (formerly Hoary Realty Limited) of the face value of Rs. 10 per share @ Rs. 2,42,790 per share.	February 12, 2015	Rs.197,00,00,000/- purchase consideration.

For and on behalf of the Board

**For HUBTOWN LIMITED**

**HEMANT M. SHAH**

Executive Chairman

DIN : 00009659

Place : Mumbai

Date : June 22, 2016

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE 'E'

### DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirement	Disclosure	
		Name of the Director	Ratio
1	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2016	Mr. Hemant M. Shah	9:10
		Mr. Abhijit Datta	0.38
		Mr. Arvind Kumar Joshi	0.38
		Mr. Sunil C. Shah	0.38
		Mrs. Priti K. Shah	0.38
		Mr. Vyomesh M. Shah	8:10
		For this purpose, sitting fees and reimbursement of out-of-pocket expenses incurred in attending the meetings of the Board and Committees paid to the Independent Directors and Non-Executive Director have not been considered as remuneration. Only commission paid by way of remuneration to the Independent Directors and Non-Executive Director has been considered.	
2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2015-2016	Mr. Hemant M. Shah	Nil
		Mr. Vyomesh M. Shah	Nil
		Mr. Anil H. Ahluwalia	Nil
		Mr. Chetan S. Mody	Nil
3	Percentage increase in the median remuneration of employees in the Financial Year 2015-2016	During the Financial Year 2015-2016, the percentage increase in the median remuneration of the employees as compared to the previous year was approximately 23.05 %.	
4	The number of permanent employees on the rolls of the Company.	There were 269 employees on the roll of the Company as on March 31, 2016.	
5	Explanation on the relationship between average increase in remuneration and company performance:	Factors considered while recommending increase in fixed compensation: 1. TFinancial performance of the Company 2. Individual performance 3. TComparison with peer companies 4. TIndustry benchmarking 5. TRegulations as applicable to Managerial Personnel	
6	Comparison of remuneration of Key Managerial Personnel (KMPs) against the performance of the Company	For the Financial Year 2015-2016, the remuneration paid to all the four KMPs aggregate approximately 0.23 % of the Gross Revenue of the Company. The Gross Revenue for the Financial Year 2015-2016 was ₹ 39010 lakhs.	
7	Variations in the market capitalization of the Company	The market capitalization of the Company as on March 31, 2016 was ₹ 75499.83 lakhs (₹ 72735.87 lakhs as on March 31, 2015).	
	Price Earning Ratio of the Company	Price Earning Ratio of the Company was 35.43 as on March 31, 2016 as against 67.56 on March 31, 2015.	
	Percentage increase over/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer	The Company made an initial public offering in 2007 at an issue price of ₹ 540 per share. The market price of the share as on March 31, 2016 was ₹ 103.85, a decrease of 80.77 percent over the issue price.	
8	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration.	Average increase in remuneration is 14.65 % for employees other than the Managerial Personnel and 2.08 % for other Managerial Personnel. This increment is in line with the factors outlined at serial no. (5) above.	
9	Comparison of the remuneration of each of the KMP against the performance of the Company	The comparison of remuneration of each of the KMP against the performance of the Company	
		<b>Name and Designation</b>	<b>% of Profit after Tax</b>
		Mr. Hemant M. Shah, Executive Chairman	3.75%
		Mr. Vyomesh M. Shah, Managing Director	3.31%
		Mr. Anil H. Ahluwalia, Chief Financial Officer	1.98%
Mr. Chetan S. Mody, Company Secretary	1.64%		
10	Key parameters for any variable component of remuneration availed by the Directors	Mr. Hemant M. Shah, Executive Chairman and Mr. Vyomesh M. Shah, Managing Director have not been paid any variable remuneration (performance incentive) for the Financial Year 2015-2016. Non-Executive Directors are paid commission as approved by the shareholders in AGM.	
11	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during that year	Not applicable	
12	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company.	

## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE 'F'

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs.

Weblink : <http://hubtown.co.in/admin/uploaddir/HUBTOWN%20CSR%20POLICY.pdf>

2. Composition of the CSR Committee

Mr. Hemant M. Shah – Chairman of the Committee

Mr. Vyomesh M. Shah

Mr. Sunil C. Shah

3. Average Net Profit of the Company for the last three Financial Years

Average Net Profit : ₹ 1901.47 lakhs

4. Prescribed CSR expenditure (two percent of the amount as in Item 3 above)

The Company is required to spend ₹ 38.03 lakhs

5. Details of CSR spend for the Financial Year.

- a. Total amount spent for the Financial Year : ₹ 45.71 lakhs/- (Rupees Forty Five Lakhs Seventy One Thousand)
- b. Amount unspent, if any : Nil
- c. Manner in which the amount spent during the Financial Year is detailed below :

Sr. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) or program wise (₹ in lakhs)	Amount spent on the project or program (₹ in lakhs)	Cumulative Expenditure upto the reporting period (₹ in lakhs)	Amount spent direct or through implementing agency
1.	Promoting welfare of poor people	Education and Health Care	Mumbai	38.03	45.71	45.71	Direct to Mahechha Trust

Details of the Mahechha Trust : The Implementing agency is 'Mahechha Trust', a Public Charitable Trust duly registered under The Bombay Public Trusts Act, 1950 and established since 1992. The Objects of the Trust are to construct and maintain sanitoriums for the benefit of poor people, establishing schools for spreading education and knowledge, providing health care and medical facilities to needy people and other social cultural activities aimed at bringing about a positive change in the Society.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide reasons for not spending the amount in the Board Report.

Not applicable as the Company has spent the entire amount of the two percent of the average net profit.

7. A responsibility statement of the CSR Committee

The CSR Committee of the Company hereby confirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

**For and on behalf of the Corporate Social Responsibility Committee**

**Hemant M. Shah**

Chairman of CSR Committee

Place : Mumbai

Date : June 22, 2016

## CORPORATE GOVERNANCE REPORT

### INTRODUCTION

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders expectations. Transparency and accountability are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

### MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At Hubtown, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Corporate Governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

Your Company makes best endeavours to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovation.

Your Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The details of compliance with the Corporate Governance requirements as stipulated in Regulations 17 to 27 of the Listing Regulations for the financial year ended March 31, 2016 are as follows :

#### 2. BOARD OF DIRECTORS:

##### COMPOSITION AND CATEGORY :

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board of Directors of the Company is composed of eminent individuals from diverse fields. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure.

The Board of the Company is composed of Executive and Non-Executive Directors., who play a crucial role in Board processes and provides independent judgment on issues of strategy and performance. As on the date of this Report, the Board consists of five Directors, comprising of two Promoter Executive Directors, two Independent Directors and One Non-Executive Director. Except for the Executive Chairman and the Managing Director who are related to each other, none of the other Directors of the Company are related to each other. The Independent Directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1)(b) of the Listing Regulations.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to business.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Regulation 26 (1) of the Listing Regulations) across all public companies in which they are Directors. Further, every Director informs the Company about the committee positions he/she occupies in other companies and notifies the changes as and when they take place.

The Board does not have any Nominee Director representing any institution. All the Directors have intimated periodically about their Directorships and membership on the Board Committees of other companies.

The day-to-day operations are conducted by the Executive Chairman and the Managing Director of the Company, under the supervision of the Board of Directors.

None of the Non-Executive Directors hold any shares / convertible instruments in the Company.



## CORPORATE GOVERNANCE REPORT (CONTD.)

The composition of the Board of Directors and the number of Directorships and membership in committees of public companies (excluding Hubtown) is as under :

Name of Director	Category of Directorship	Directorship in other companies (*)	No. of Board Committees (other than Hubtown Limited) in which Chairman / Member		Relationship with other Directors inter-se
			Chairman	Member @	
Mr. Hemant M. Shah Executive Chairman	Promoter, Executive, Non-Independent	—	—	—	Related to Mr. Vyomesh M. Shah
Mr. Arvind Kumar Joshi (upto April 29, 2016)	Non-Executive, Independent	—	—	—	} Not related to any other Director of the Company
Mr. Abhijit Datta	Non-Executive, Independent	5	2	2	
Mr. Sunil C. Shah	Non-Executive, Independent	—	—	—	
Mrs. Priti K. Shah	Non-Executive	—	—	—	
Mr. Vyomesh M. Shah Managing Director	Promoter, Executive, Non-Independent	1	—	1	Related to Mr. Hemant M. Shah

1. Independent Director means a Director under Regulation 16 (1)(b) of the Listing Regulations.
2. (\*) – excludes Alternate Directorships, Directorships in Indian Private Limited Companies and Foreign Companies and membership of Managing Committees of various bodies.
3. @ - Member includes Chairman.
4. Only memberships of Audit Committee and Stakeholders' Relationship Committee of public limited companies are included.

### BOARD DIVERSITY :

Pursuant to Regulation 19 (4) read with Part 'D' of Schedule II to Listing Regulations, the Nomination and Remuneration Committee has framed a policy on Board Diversity to ensure diversity of knowledge, experience, gender, age and culture. The policy has been disclosed on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

### APPOINTMENT AND TENURE :

The Company has framed the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees pursuant to Section 178 of the Companies Act, 2013 read with Part 'D' of Schedule II to the Listing Regulations. The said Policy lays down the criteria, qualifications, term/tenure and remuneration of the Directors. The said Policy has been annexed to and forms part of the Directors' Report.

The total strength of the Board shall not be more than 15 Directors. One-third of the Directors shall retire by rotation every year and if eligible, the retiring directors qualify for reappointment. Atleast two-thirds of the total number of directors so appointed shall be Independent Directors or atleast two of them whichever is higher, shall be Independent Directors. The Independent Directors shall not be liable to retire by rotation. The Independent Directors will serve a maximum of two terms of five years each.

The Company has issued formal letters of appointment to the Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of the appointment of Independent Directors have also been disclosed on the Company's website at <http://www.hubtown.co.in/investors/directorate>.

The Independent Directors are not expected to serve on the Board of other competing companies.

### FAMILIARIZATION PROGRAMME :

At the time of appointing a Director, a formal letter of appointment is given to him /her which, inter-alia, explains his / her role, functions, duties and responsibilities. The Director is also explained the compliances required from him/her under various legislations/regulations and his /her affirmation is obtained for the same. The Company's Policy on conducting Familiarization Program for Independent Directors has also been disclosed on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

### BOARD INDUCTION AND TRAINING :

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The new Directors are briefed by the Executive Chairman and the Managing Director on the Company's structure, the projects on hand and performance of the business. The induction for Non-Executive Independent Directors also includes interaction with the management and functional heads.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### PERFORMANCE EVALUATION OF THE BOARD AND INDIVIDUAL DIRECTORS:

The Board of Directors has adopted a policy on Board Evaluation. The Policy provides for evaluation of the Board, the Committees of the Board and the individual Directors, including the Chairman of the Board. As per the Policy, the Company has carried out an evaluation of the performance of the Board as a whole, the Board Committees and the Directors for the year under review.

### RESPONSIBILITIES :

The Board's mandate is to oversee the Company's strategic operations, review corporate performance, assess the adequacy of risk management and mitigation measures, authorise and monitor strategic investments, ensure regulatory compliance and safeguard interests of all the stakeholders.

### ROLE OF INDEPENDENT DIRECTORS :

The Independent Directors play a key role in the decision-making process of the Board by participating in framing the overall strategy of the Company and overseeing the performance of the management. The Independent Directors are committed to acting in what they believe to be in the best interest of the Company and its stakeholders.

The Independent Directors bring to the Company a wide range of experience, knowledge and judgment as they draw on their varied proficiencies in finance, management, accountancy, law, public policy and corporate strategy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

### MEETINGS OF INDEPENDENT DIRECTORS :

The Independent Directors meet at least once a year, without the presence of Executive Directors or Management Representatives. During the year under review, the Independent Directors met once on May 30, 2015. All the Independent Directors were present in the meeting.

Subsequent to the close of the year under review, the Independent Directors met on June 22, 2016 to discuss :

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonable perform its duties.

All the Independent Directors were present in both these meetings. They expressed satisfaction at the fairness of the evaluation process, Board's freedom to express views on the business transacted at the meetings.

### SUCCESSION POLICY :

The Board constantly evaluates the contribution of its members and recommends to the shareholders their reappointment periodically as per the statute. Executive Directors are appointed by the shareholders for a maximum period of five years at one time, but are eligible for reappointment upon completion of their term. Non-executive Directors do not have any term, but retire by rotation as per the law.

### BOARD MEETINGS AND PROCEDURE :

The Board Meetings are normally held at the Registered Office of the Company in Mumbai. The Board meets atleast once in every quarter to review and approve quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, projects and capital expenditure. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The meetings are governed by a structured agenda. All the items on the agenda are accompanied by comprehensive agenda notes and relevant supporting documents containing all the vital information so as to enable the directors to have focused discussion at the meeting and to take informed decisions. In certain matters such as financial/business plans, financial results, detailed presentations are generally made. The agenda papers and the relevant notes are sent in advance separately to each Director. Where it is not practicable to send the relevant information/documents as part of the agenda papers, the same are tabled at the meeting. In special and exceptional cases additional or supplementary agenda items are taken up for consideration with the permission of the Chairman. The members of the Board have complete access to all information of the Company. The members of the Board are free to recommend the inclusion of any matter in the agenda for discussion in consultation with the Chairman.

In case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is confirmed in the subsequent Board Meeting.

The Chief Financial Officer and other Senior Management Personnel are invited to the Board/ Committee meetings to present reports on items being discussed at the meeting. The information as specified in Part A of Schedule II of Regulation 17 of the Listing Regulations is regularly made available to the Board. The Board periodically reviews the compliance status of all the applicable laws, rules and regulations. Action Taken Report in respect of matters arising out of the previous meetings is plucked at every meeting of the Board/Committee for noting.

## CORPORATE GOVERNANCE REPORT (CONTD.)

The draft minutes of each Board Meeting is circulated to all Directors for their confirmation before being recorded in the minutes book. The minutes of the Board Meetings of unlisted subsidiary companies in a summarized form are tabled at the Board Meetings on a quarterly basis. The Board periodically reviews the statement of significant transactions and arrangements entered into by the unlisted subsidiary companies. The Company Secretary records the minutes of each Board / Committee meeting.

The members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. Senior management personnel are invited to provide additional inputs for the items being discussed by the Board as and when necessary. The important decisions taken at the Board/Committee meetings are promptly communicated to the concerned departments.

During the year under review, the Board met 4 (four) times. The meetings were held on May 30, 2015, August 12, 2015, November 14, 2015 and February 12, 2016.

The maximum time gap between any two consecutive meetings did not exceed 120 days.

The attendance of the Directors at the above mentioned Board Meetings and the 27th AGM held on September 29, 2015 are detailed hereunder :

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on September 29, 2015
Mr. Hemant M. Shah	3	Attended
Mr. Arvind Kumar Joshi	4	Attended
Mr. Abhijit Datta	4	Attended
Mr. Sunil C. Shah	3	Attended
Mrs. Priti K. Shah	2	Attended
Mr. Vyomesh M. Shah	3	Attended

The Board met on June 22, 2016, to inter-alia approve the annual audited financial statements including the audited consolidated financial statements of the Company for the year ended March 31, 2016.

### MEETING COMPLIANCES :

The Company is in compliance with the provisions of the Listing Regulations pertaining to the intimation of notice of board meeting, publication of notice and results, outcome of the meeting, etc.

### 3. BOARD COMMITTEES :

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees namely : Audit and Compliance Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee and a non-mandatory committee namely Committee of Directors. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time.

Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are plucked before the Board.

The Committees operate as empowered agents of the Board as per their charter / terms of reference. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings for review.

#### I. AUDIT AND COMPLIANCE COMMITTEE :

##### BROAD TERMS OF REFERENCE :

The object of the Audit and Compliance Committee is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit report and action taken report. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company.

The terms of reference of the Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Part 'C' of Schedule II of Regulation 18 of the Listing Regulations are as hereunder :

- a. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. To recommend appointment, remuneration and terms of appointment of auditors of the Company;
- c. To approve payment to statutory auditors for any other services rendered by the statutory auditors;

## CORPORATE GOVERNANCE REPORT (CONTD.)

- d. To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by the management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions; and
  - vii. qualifications in the draft audit report;
- e. To review with the management, the quarterly financial statements before submission to the Board for approval;
- f. To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g. To review and monitor the auditor's independence and performance and effectiveness of audit process;
- h. To approve transactions of the Company with related parties or any subsequent modification thereto;
- i. To scrutinize inter-corporate loans and investments;
- j. To evaluate undertakings or assets of the Company, wherever necessary;
- k. To evaluate internal financial controls and risk management system;
- l. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n. To discuss with internal auditors of any significant findings and follow up thereon;
- o. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p. To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r. To review the functioning of the Whistle Blower mechanism;
- s. To approve the appointment of CFO (i.e., the Wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- t. To carry out any other function as is mentioned in the terms of reference of the Audit and Compliance Committee;
- u. To review the Management Discussion and Analysis of financial condition and results of the operations;
- v. To review the statement of significant related party transactions as defined by the Audit and Compliance Committee, submitted by the management;
- w. To review the management letters / letters of internal control weaknesses issued by the statutory auditors;
- x. To review the Internal Audit Reports relating to internal control weaknesses;
- y. To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- z. To secure attendance of outsiders with relevant expertise, if it considers necessary
- aa. To seek information from any employee;
- bb. To obtain outside legal or other professional advice;
- cc. To investigate any activity within its terms of reference; and
- dd. Such other matters as may be prescribed from time to time by the Companies Act, 2013 and the Listing Regulations.

## CORPORATE GOVERNANCE REPORT (CONTD.)

The Company has appropriate internal control systems for business processes, covering operations, financial reporting and compliance with applicable laws and regulations. The Audit and Compliance Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them, as appropriate.

The Audit and Compliance Committee while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) notified pursuant to Companies (Accounting Standards) Rules, 2006. Compliance with the Accounting Standards as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2016.

The draft minutes of the Audit and Compliance Committee are circulated among members of the Committee before the same is confirmed and plucked before the Board. The minutes of the Audit and Compliance Committee forms part of the Board Agenda.

### EVALUATION :

The Committee has carried out self-assessment of its performance during the year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and overview of internal and external audits.

### COMPOSITION :

During the year under review, the Audit and Compliance Committee comprised of 4 (four) Directors, three of whom were Non-Executive, Independent Directors and as on the date of this Report, the Committee comprises of 3 (three) Directors, two of whom are Non-Executive, Independent Directors. All the members of the Committee are financially literate and have accounting and financial management expertise. The Chairman of the Committee is a Non-Executive, Independent Director. The Company Secretary acts as Secretary to the Audit and Compliance Committee.

The Chief Financial Officer and the representatives of the Statutory Auditors, and the Internal Auditors are permanent invitees to Audit and Compliance Committee meetings. In addition, other Senior Management Personnel are also invited to the Committee meetings as and when required. The Cost Auditors are also invited to the meeting(s) for discussion on Cost Audit Report and for other related matters, if any.

The present composition of the Audit and Compliance Committee is as follows:

Name of the Director		Category
Mr. Abhijit Datta	Chairman	Non-Executive Independent
Mr. Arvind Kumar Joshi (upto April 29, 2016)	Member	Non-Executive Independent
Mr. Sunil C. Shah	Member	Non-Executive Independent
Mr. Vyomesh M. Shah	Member	Promoter, Executive, Non-Independent

### MEETINGS AND ATTENDANCE :

During the year under review, the Committee met 4 (four) times. The meetings were held on May 30, 2015, August 12, 2015, November 14, 2015 and February 12, 2016. The gap between two meetings did not exceed 120 days.

The attendance of each member at the Audit and Compliance Committee Meetings is as under :

Name of the Director	No. of meetings attended
Mr. Abhijit Datta	4
Mr. Arvind Kumar Joshi	4
Mr. Sunil C. Shah	3
Mr. Vyomesh M. Shah	3

Mr. Abhijit Datta, Chairman of the Audit and Compliance Committee answered queries raised by the shareholders at the Annual General Meeting of the Company held on September 29, 2015.

The Committee met on June 22, 2016 to inter-alia review the audited annual financial statements including the audited annual consolidated financial statements of the Company for the year ended March 31, 2016 and recommended the same to the Board for its approval.

The Company affirms that no employee has been denied access to the Chairman of the Audit and Compliance Committee.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### INTERNAL AUDITORS:

M/s. Mahajan & Aibara, Chartered Accountants act as Internal Auditors to the Company to review the internal control systems of the Company and to report thereon. The Audit and Compliance Committee reviews the reports of the Internal Auditors and ensures that adequate follow-up action is taken by the management on observations and recommendations made by the Internal Auditors.

### II. NOMINATION AND REMUNERATION COMMITTEE:

#### COMPOSITION :

During the year under review, the Nomination and Remuneration (N&R) Committee comprised of 4 (four) Directors, of whom 3 (three) are Non-Executive, Independent Directors and as on the date of this Report, the Committee comprises of 3 (three) Directors, of whom 2 (two) are Non-Executive Independent Directors. The Chairman of the N&R Committee is a Non-Executive Independent Director, in accordance with Regulation 19 of the Listing Regulations. The Company Secretary of the Company acts as Secretary to the N&R Committee.

The present composition of the N&R Committee is as follows :

Name of the Director		Category
Mr. Abhijit Datta	Chairman	Non-Executive Independent
Mr. Arvind Kumar Joshi (upto April 29, 2016)	Member	Non-Executive Independent
Mr. Sunil C. Shah	Member	Non-Executive Independent
Mr. Hemant M. Shah	Member	Promoter, Executive, Non-Independent

Mr. Abhijit Datta, Chairman of the N&R Committee was present at the Annual General Meeting of the Company held on September 29, 2015 to provide clarification on matters relating to managerial remuneration.

#### MEETING AND ATTENDANCE :

The N&R Committee met twice on May 30, 2015 and February 12, 2016 during the year under review.

The attendance of each member at the N&R Committee Meetings is as under :

Name of the Director	No. of meetings attended
Mr. Abhijit Datta	2
Mr. Arvind Kumar Joshi (upto April 29, 2016)	2
Mr. Sunil C. Shah	2
Mr. Hemant M. Shah	1

Subsequent to the close of the year, the N&R Committee met on June 22, 2016 to inter-alia, evaluate the performance of the Directors, the Board and its Committees and the Chairman.

The minutes of the N&R Committee meetings are noted by the Board of Directors in the subsequent Board Meetings.

#### POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS :

The N&R Committee has framed Nomination and Remuneration Policy of the Company which inter alia, deals with the manner of selection of the Board of Directors and the Executive Chairman and the Managing Director and their remuneration. This Policy is available on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes /criteria, whilst recommending to the Board the candidature for appointment as Director :

- i. Qualification, expertise and experience of Directors in their respective fields;
- ii. Personal, Professional or business standing; and
- iii. Diversity of the Board.

## CORPORATE GOVERNANCE REPORT (CONTD.)

In case of reappointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his/her engagement level.

For the purpose of selection of the Chairman and the Managing Director, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The N&R Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 and the Rules made thereunder.

### REMUNERATION POLICY :

The Remuneration Policy aims at attracting, retaining and motivating high caliber talent and ensures equity, fairness and consistency in rewarding the employees. The performance of the individual as well as the performance of the Company forms the basis of the Remuneration Policy.

The salary structure of employees comprises of basic salary, perquisites, allowances and performance incentive. The salary involves a balance between fixed and variable pay which reflect the performance objectives of the individual as against the earmarked Key Performance Indicator and the performance of the Company and strategic objectives of the Company. The components of total remuneration vary for different employee grades and are based on qualifications and experience of the employee, responsibilities handed by him/her, his/ her individual performance, etc.

Details of remuneration paid to the Directors of the Company are as follows :

#### **A. Remuneration to Non-Executive Directors :**

The Non-Executive Directors are entitled to remuneration by way of commission for each financial year as approved by the shareholders. Non-Executive Directors' commission is determined by the Board based, inter-alia, on Company's performance and regulatory provisions and is payable on a uniform basis to reinforce the principles of collective responsibility. Non-Executive Directors are also entitled to sitting fees for attending meetings of the Board and the Committees thereof, the quantum of which is determined by the Board. The sitting fees payable to Non-Executive Directors, as determined by the Board with effect from April 01, 2015 are as hereunder :

- i. ₹ 40,000/- for every meeting of the Board attended by each of them;
- ii. ₹ 30,000/- for every meeting of the Committees of the Board (except for the Committee of Directors).

The Non-Executive Directors are also entitled to reimbursement of expenses incurred in the performance of the duties as Directors and Members of the Committee.

The role of Non-Executive Directors and their involvement as members of the Board has undergone a significant change pursuant to more stringent accounting standards and corporate governance norms. The Non-Executive Directors are required to take far more complex business decisions and are required to commit their time and provide their expertise for the Company's business. Accordingly, the Board has approved the payment of commission of an amount not exceeding 1% of the net profit of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013, for the financial year ended March 31, 2016, to be apportioned equally amongst the Non-Executive Directors.

The service contract, notice period and severance fees are not applicable to the Non-Executive Directors.

None of the Non-Executive Directors has any material pecuniary relationship or business transactions with the Company except for the commission payable to them annually.

#### **B. Remuneration to Executive Chairman and Managing Director :**

Payment of remuneration to the Executive Chairman and the Managing Director is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration Committee and approved by the Board subject to the approval of the shareholders. Annual increments and performance incentives, which are linked to the performance of the Company, are recommended to the Board by the Nomination and Remuneration Committee within the limits as approved by the shareholders.

The remuneration structure consists of basic salary, perquisites, benefits and allowances and performance incentive.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of the Executive Chairman and the Managing Director.

Presently, the Company does not have a scheme for grant of stock options for its Directors.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### DETAILS OF REMUNERATION TO ALL DIRECTORS FOR THE YEAR ENDED MARCH 31, 2016

#### NON-EXECUTIVE DIRECTORS :

Name of the Director	Sitting Fees (Gross) (₹ in lakhs)	Commission (Gross) (₹ in lakhs)	No. of Shares held
Mr. Arvind Kumar Joshi (upto April 29, 2016)	4.00	3.75	Nil
Mr. Abhijit Datta	4.00	3.75	Nil
Mr. Sunil C. Shah	3.30	3.75	Nil
Mrs. Priti K. Shah	0.80	3.75	Nil

#### EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR :

Name of the Director	Salaries and Allowances (₹ in lakhs)	Contribution to Provident Fund (₹ in lakhs)	Performance Incentive (₹ in lakhs)	Service Contract (Present)
Mr. Hemant M. Shah, Executive Chairman	79.92	7.77	Nil	5 years
Mr. Vyomesh M. Shah, Managing Director	70.40	6.91	Nil	5 years

#### PERFORMANCE EVALUATION :

Pursuant to the provisions of the Companies Act, 2013 and Part 'D' of Schedule II of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and, Nomination and Remuneration Committees. A structured questionnaire was prepared covering various aspects of the Board's as well as the Committees functioning.

A separate exercise was carried out to evaluate the performance of the individual Directors including the Chairman of the Board. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman was carried out by the Independent Directors.

### III. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

#### FUNCTIONS :

The Committee deals with stakeholder relations and security holders grievances related to non-receipt of annual report, non-receipt of declared dividend and such other issues as may be raised by the investors from time to time. In additions to this, the Committee also looks into share transfer, issue of duplicate share certificates, dematerialization, rematerialisation of shares and monitors servicing of investor requirements. The Committee ensures that the investor grievances /complaints/queries are redressed in a timely and effective manner and to the utmost satisfaction of the investors. The Committee also oversees the performance of the Registrar and Transfer Agent of the Company relating to investor services and recommends measures for improvement.

The role and the terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The minutes of the Committee Meetings are noted by the Board of Directors in subsequent Board Meetings.

#### COMPOSITION :

During the year under review, the Stakeholders Relationship Committee comprised of 3 (three) Directors, of whom 2 (two) were Non-Executive, Independent Directors and 1 (one) Non-Executive Director and as on the date of this Report, the Committee comprises of 2 (two) Directors, of whom 1 (one) is a Non-Executive Independent Director and 1 (one) Non-Executive Director.

The present composition of the Stakeholders' Relationship Committee is as under :

Name of the Director		Category
Mr. Arvind Kumar Joshi (upto April 29, 2016)	Chairman	Non-Executive, Independent
Mr. Sunil C. Shah	Member	Non-Executive, Independent
Mrs Priti K. Shah	Member	Non-Executive



## CORPORATE GOVERNANCE REPORT (CONTD.)

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Chairman of the Committee is a Non-Executive, Independent Director.

The Company Secretary acts as Secretary to the Committee.

### MEETINGS AND ATTENDANCE :

During the year under review, no meeting of Stakeholders Relationship Committee was held. Subsequent to the close of the year under review, the Committee met on June 11, 2016.

### DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS :

During the financial year 2015-2016, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to non-receipt of, dividend, etc. All the complaints were resolved to the satisfaction of the investors.

The status of Investor's complaints as on March 31, 2016, is as follows :

No. of complaints as on April 1, 2015	Nil
No. of complaints received during the financial year 2015-2016	13
No. of complaints resolved upto March 31, 2016	13
No. of complaints pending as on March 31, 2016	Nil

The number of pending requests for dematerialization as on March 31, 2016 was Nil. Shareholders'/Investors' complaints and other correspondences are normally attended to within seven working days except where constrained by disputes or legal impediments.

## IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

The Committee is entrusted with the responsibility of formulating and monitoring the Corporate Social Responsibility (CSR) Policy of the Company.

The role and terms of reference of the Committee are in consonance with the requirements mandated under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

### TERMS OF REFERENCE :

- i. To formulate and recommend to the Board, the Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company;
- ii. To recommend the amount of expenditure to be incurred on the activities mentioned in (i) above;
- iii. To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- iv. To prepare an annual report on Corporate Social Responsibility initiatives for inclusion in the Board's Report; and
- v. To perform such functions as may be detailed in the Companies Act, 2013 and the relevant Rules made thereunder and any other applicable legislation.

The Corporate Social Responsibility Policy devised in accordance with the provisions of Section 135 of the Companies Act, 2013 and the details about the initiatives taken by the Company on CSR during the year under review as per the annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 has also been appended as an **Annexure -'F'** to the Board's Report. The CSR Policy has been disclosed on the website of the Company at <http://www.hubtown.co.in/codesandpolicies>.

### COMPOSITION :

The present composition of the Committee of Directors is as under :

Name of the Director		Category
Mr. Hemant M. Shah	Chairman	Promoter, Executive, Non-Independent
Mr. Sunil C. Shah	Member	Non-Executive, Independent
Mr. Vyomesh M. Shah	Member	Promoter, Executive, Non-Independent

During the financial year ended March 31, 2016, the CSR Committee met once on February 04, 2016. All the members of the CSR Committee were present at the said meeting.

The minutes of the CSR Committee Meetings are noted by the Board of Directors in subsequent Board Meetings.

The Company Secretary acts as Secretary to the CSR Committee.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### V. RISK MANAGEMENT COMMITTEE :

The Risk Management Committee of the Board of Directors is entrusted with the responsibility of establishing policies to monitor and evaluate the risk management systems of the Company. It also oversees the functioning of the risk management, internal compliance and control policies and procedures of the Company.

#### BROAD TERMS OF REFERENCE :

- i. To review the risk management policy and framework in line with the legal requirements and statutory regulations;
- ii. To review risks and evaluate treatment including initiating mitigation actions;
- iii. To define framework for identification, assessment, monitoring, mitigation and reporting of risks;
- iv. To review risk trends, exposure, potential impact analysis and mitigation plans.

#### COMPOSITION :

During the year under review, the Risk Management Committee comprised of 4 (four) Directors, of whom 2 (two) were Non-Executive, Independent Directors and 2 (two) Executive Directors and as on the date of this Report, the Committee comprises of 3 (three) Directors, of whom 1 (one) is a Non-Executive Independent Director and 2 (two) Executive Directors.

The present composition of the Risk Management Committee of Directors is as under :

Name of the Director		Category
Mr. Arvind Kumar Joshi (upto April 29, 2016)	Chairman	Non-Executive, Independent
Mr. Abhijit Datta	Member	Non-Executive, Independent
Mr. Hemant M. Shah	Member	Promoter, Executive, Non-Independent
Mr. Vyomesh M. Shah	Member	Promoter, Executive, Non-Independent

The Company Secretary acts as Secretary to the Committee.

The Committee met once on May 30, 2015, in which all the members of the Committee were present.

### VI. COMMITTEE OF DIRECTORS :

In addition to the above Committees, the Company also has a functional committee known as the Committee of Directors. This Committee has been constituted to meet the various day-to-day requirements and to facilitate the seamless operations of the Company. The Committee has relieved the full Board from the burden of considering routine matters.

#### COMPOSITION :

The present composition of the Committee of Directors is as under:

Name of the Director		Category
Mr. Hemant M. Shah	Chairman	Promoter, Executive, Non-Independent
Mr. Sunil C. Shah	Member	Non-Executive, Independent
Mrs. Priti K. Shah	Member	Non-Executive
Mr. Vyomesh M. Shah	Member	Promoter, Executive, Non-Independent

The Committee meets generally on a monthly basis. The Committee may also meet additionally, if so required.

The minutes of the Committee Meetings are noted by the Board of Directors in subsequent Board Meetings.

The Company Secretary acts as Secretary to the Committee.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 4. GENERAL BODY MEETINGS :

#### a. Location and time, where last three Annual General Meetings were held is given below :

Financial Year	Date	Location of the Meeting	Time	Particulars of the Special Resolution
2012-2013	30-Sep-13	Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	10.30 A.M.	No special resolution was passed in the meeting.
2013-2014	25-Sep-14	Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	10.00 A.M.	No special resolution was passed in the meeting.
2014-15	29-Sep-15	Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	9.30 A.M.	<ul style="list-style-type: none"> <li>i. payment of commission pursuant to Sections 197 and 198 of the Companies Act, 2013, to Non-Wholetime Directors of the Company for a period of three Financial Years from April 1, 2015 to March 31, 2018.</li> <li>ii. approval of Related Party Transactions under Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.</li> <li>iii. issue of Non-convertible Debentures on private plakhement basis.</li> </ul>

The special resolutions for the financial year 2014-2015, which were put to vote by e-voting, ballot and on poll, were passed with requisite majority.

#### b. Location and time, where Extraordinary General Meetings were held for last three years :

No Extraordinary General Meetings were held during the last three financial years i.e. 2012-2013, 2013-2014 and 2014-2015 respectively.

POSTAL BALLOT :

Details of special resolutions passed through Postal Ballot during the year under review are as hereunder :

Financial Year	Date of passing of the resolution	Nature of the resolution Ordinary / Special	Particulars of the resolution	% of votes in favour of the resolution
2015-2016	June 15, 2015	Special Resolution	Authority for creation of charge on movable and immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013.	99.94%
		Special Resolution	Approval of transaction with related parties under Section 188 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.	99.58%
		Special Resolution	Approval of existing material related party contracts and arrangements under Clause 49 of the Equity Listing Agreement.	99.58%
		Special Resolution	Approval of material related party transaction with Hoary Realty Limited.	99.58%
		Special Resolution	Approval of material related party transactions with Giraffe Developers Private Limited and Citywood Builders Private Limited.	99.58%
		Special Resolution	Approval of material related party transaction with Distinctive Realty Private Limited.	99.58%

## CORPORATE GOVERNANCE REPORT (CONTD.)

All the aforesaid special resolutions were passed with requisite majority. The results of the above Postal Ballot have been posted on the Company's website.

The Company had appointed Mr. Ashish Bhatt, Practicing Company Secretary, as the Scrutinizer for conducting the aforesaid Postal Ballot voting process in a fair and transparent manner.

During the current financial year (2016-2017), a special resolution is proposed to be passed through Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, for making investments in the securities of other companies in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Company has appointed Mr. Ashish Bhatt, a practicing company secretary, as the Scrutinizer for conducting the aforesaid Postal Ballot voting process in a fair and transparent manner.

### 5. SUBSIDIARIES:

During the year under review, the Company did not have any 'material subsidiary'. Hence, it is not mandatory to have an Independent Director of the Company on the Board of such subsidiary company. However, as required under Regulation 16 (1) (c) of the Listing Regulations, the Company has framed a policy for determining 'material subsidiaries' which has been posted on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

The Company monitors the performance of its subsidiaries, inter-alia by the following means :

- The minutes of the Board Meetings of the subsidiary companies are noted at the Board Meetings of the Company.
- The investments made by the subsidiary companies, financial statements, and working are reviewed by the Audit and Compliance Committee from time to time.
- Details of significant transactions and arrangements entered into by subsidiary companies are regularly planked at the Board Meetings of the Company.

The minutes of the subsidiary companies in summarized form as well as statement of significant transactions and arrangements entered into by the unlisted subsidiary companies are regularly planked before the Board meeting for their review and noting.

### 6. CODE OF CONDUCT :

The Board of Directors has adopted Code of Business Conduct and Ethics for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17 (5) (a) of the Listing Regulations. All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2016. A declaration to this effect signed by the Managing Director is appended at the end of this report.

The said Code of Conduct can be viewed on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

### 7. INSIDER TRADING :

#### 7.1 Code of Practices and Procedures for Fair Disclosure :

Pursuant to Regulation 8 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and adopted a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". This Code can be viewed on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

#### 7.2 Code of Conduct for Regulating, Monitoring and Reporting of Trading by Employees :

Pursuant to Regulation 8 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the Regulations), the Company has formulated a Code of Conduct for regulating, monitoring and reporting of trading by its employees and other connected persons.

Mr. Chetan S. Mody - Company Secretary has been appointed as the Compliance Officer to administer the Code of Conduct and to monitor compliance with the Regulations.

This Code can be viewed on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

### 8. RECORD MANAGEMENT POLICY :

Pursuant to Regulation 9 of the Listing Regulations, the Board of Directors of the Company has approved the Policy for Preservation of Documents. The same has been implemented with effect from December 1, 2015. The Policy can be viewed on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 9. POLICY FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR MAKING DISCLOSURES TO STOCK EXCHANGES :

Pursuant to Regulation 30 of the Listing Regulations, the Board of Directors of the Company has approved the Policy for determining the materiality of an event or information and for making disclosures to the stock exchanges. The same has been implemented with effect from December 1, 2015. The Policy can be viewed on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>. All disclosures made to the stock exchanges can be viewed on the Company's website at <http://www.hubtown.co.in/investors/corporategovernance/materialdisclosures>.

### 10. CEO / CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17 (8) of the Listing Regulations for the year ended March 31, 2016. The said certificate is annexed to and forms part of this Report.

### 11. DISCLOSURES :

#### a. Transactions with Non-Executive Directors

The Non-Executive Directors of the Company do not have any material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate companies, other than in the normal course of business.

#### b. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large :

The Company has not entered into any transaction of a material nature with the Promoters, Directors or the Management, their Subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Details of related party transactions as per requirements of Accounting Standard - AS 18 - 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in the Notes to the Financial Statements in the Annual Report.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

#### c. Disclosure of Accounting Treatment :

In the preparation of the financial statements, the Company follows the Accounting Standards prescribed by 'The Companies Accounting Standards Rules, 2006' and relevant provisions of the Companies Act, 2013 and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard(s). The significant accounting policies which are consistently applied are set out in Note 2 to the Financial Statements in the Annual Report.

#### d. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years :

No penalties or strictures have been imposed by any regulatory authority on any matter related to capital markets during the last three years.

#### e. Proceeds from Public Issue, Rights Issue, Preferential Issue, etc :

During the year under review, the Company has not raised any capital by way of public issue or rights issue or preferential issue, etc.

#### f. Disclosure by Senior Management to the Board :

Senior Management personnel have confirmed that they have not entered into any material financial or commercial transaction, where they have personal interest that may have a potential conflict with the interest of the Company at large.

#### g. Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit and Compliance Committee :

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has framed its Whistle Blower Policy as a vigil mechanism to enable the Directors and all employees to report in good faith genuine concerns regarding unethical behavior, actual or suspected fraud or any violation of the Company's Code of Business Conduct and Ethics. This mechanism also provides for adequate safeguards against victimization of persons who use this mechanism and for direct access to the Chairman of the Audit and Compliance Committee. The Company affirms that no employee of the Company was denied access to the Audit and Compliance Committee.

The said Whistle Blower Policy is available on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### h. **Policy against Sexual and Workplace Harassment :**

The Company has put in place a 'Policy on Prevention of Sexual Harassment at Workplace' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As per the Policy, any employee may report his/her complaint to the Redressal Committee formed for the purpose or their Reporting Authority or HR personnel. The Company affirms that adequate access was provided to any complainant who wished to register a complaint under the Policy, during the year.

The said Policy is available on the Company's website at <http://www.hubtown.co.in/investors/codesandpolicies>.

### 12. **MANDATORY REQUIREMENTS :**

The Company has complied with the mandatory requirements as stipulated under Part C of Schedule V to the Listing Regulations. The Company has submitted the quarterly compliance reports on corporate governance to the stock exchanges within the prescribed time limit.

### 13. **MEANS OF COMMUNICATION :**

- (i) the Company communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the on-line portal of the stock exchanges, press releases, the Annual Reports and uploading relevant information on its website;
- (ii) the Annual General Meeting of the Company is the principal forum for face-to-face communication with the shareholders, where the Board answers specific queries of the shareholders;
- (iii) the unaudited quarterly financial results are announced within forty-five days of the close of the relevant quarter. The audited annual financial results are announced within sixty days from the close of the relevant financial year;
- (iv) the aforesaid financial results are announced to the stock exchanges within thirty minutes from the close of the Board Meeting at which these were considered and approved;
- (v) the approved financial results are published in 'Free Press Journal' and 'Navshakti', within forty-eight hours of approval thereof;
- (vi) the Annual Report of the Company, the quarterly/half yearly and the audited financial results and the press releases of the Company are also posted on the Company's website at <http://www.hubtown.co.in/investors/financialresults>;
- (vii) the Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III to the Listing Regulations. All information is filed electronically on BSE on-line portal – BSE Corporate Compliance & Listing Centre and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited;
- (viii) all disclosures made to the Stock Exchanges are also available on the Company's website at <http://www.hubtown.co.in/investors/corporategovernance/materialdisclosures>; and
- (ix) the Annual Report is circulated to all the shareholders well in advance of the date of the Annual General Meeting.

### 14. **COMPLIANCE WITH NON-MANDATORY REQUIREMENTS :**

Part C of Schedule V of the Listing Regulations states that non-mandatory requirements may be implemented at the discretion of the Company. However, disclosures on compliance with mandatory requirement and adoption / non-adoption of non-mandatory requirements shall be made in the Corporate Governance Report of the Annual Report. The status of compliance of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows :

#### aa. **Non-Executive Chairman's Office :**

The Chairman of the Company is an Executive Chairman and hence the provisions pertaining to Non-Executive Chairman are not applicable to the Company.

#### bb. **Shareholder Rights :**

The quarterly, half yearly and annual financial results of the Company are published in local leading English and Marathi newspapers and are also posted on the Company's website. Significant press releases as and when made are also posted on the Company's website;

#### cc : **Audit Qualifications :**

Appropriate management explanations to the Auditors' observations made in their report have been provided in the Directors' Report.

#### dd. **Separate posts of Chairman and CEO :**

The Company has separate posts for Chairman and Managing Director/CEO.

#### ee. **Reporting of the Internal Auditor :**

The Internal Auditor reports directly to the Audit and Compliance Committee.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### 15. TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND :

As per the provisions of Section 124 (5) of the Companies Act, 2013, any money transferred to the Unpaid Dividend Account which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund.

### 16. GENERAL SHAREHOLDER INFORMATION :

Detailed information in this regard is provided in the Section 'General Shareholder Information' which forms part of this Annual Report.

### 17. EQUITY SHARES IN SUSPENSE ACCOUNT :

Members are hereby informed that as per Regulation 34 (9) read with Schedule VI to Listing Regulations, the Company has opened a demat account in the name and style of "Hubtown Limited – Unclaimed Shares Suspense Account". These shares would be held by the Company on behalf of the holders of such shares and at the end of seven years hereof, these shares shall be transferred by the Company to IEPF. Dividend remaining unclaimed in respect of these shares shall also be held in a separate suspense account and would likewise be transferred to IEPF at the end of seven years.

At the beginning of the year, 270 equity shares belonging to 20 shareholders were lying in the account. No shareholder claimed any share from the account. At the end of the year under review, 270 equity shares belonging to 20 shareholders were lying in the account. The voting rights on the outstanding unclaimed shares as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares by submission of the requisite documentary proof of their identity to the Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited.

### 18. SEBI COMPLAINTS REDRESS SYSTEM (SCORES) :

Securities and Exchange Board of India (SEBI) administers a centralized web based complaints system (SCORES). It enables investors to lodge and follow up complaints and track the status online on website [www.scores.gov.in](http://www.scores.gov.in). Pursuant to Resolution 13 (2) of the Listing Resolutions, the Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint.

### 19. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

A Certificate from the Secretarial Auditor of the Company regarding compliance of conditions of Corporate Governance as stipulated in Part E of Schedule V of the Listing Regulations is appended at the end of this Report.

### 20. WEBSITE :

The Company's website [www.hubtown.co.in](http://www.hubtown.co.in) contains a separate dedicated section 'Investors' which provides information to the shareholders on shareholding pattern as at the end of each quarter, the Chairman's speech, notice of Board meeting, the quarterly / half yearly unaudited and annual audited financial results, annual reports, postal ballot notices and results, details of unpaid dividend, various policies adopted by the Company inter-alia the Code of Business Conduct and Ethics, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy and Prevention of Sexual Harassment of Women at Workplakhe Policy, Policy on Material Related party Transactions, Policy on Material Subsidiaries, etc. in a user-friendly manner. This Section is regularly updated.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

## CORPORATE GOVERNANCE REPORT (CONTD.)

### DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE WITH HUBTOWN CODE OF BUSINESS CONDUCT AND ETHICS

As provided under Regulation 34 (3) read with Para D of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of Board of Directors and the Senior Management Personnel and other employees have affirmed their compliance with Hubtown Code of Business Conduct and Ethics as applicable to them, for the Financial Year ended March 31, 2016.

**For Hubtown Limited**

**Vyomesh M. Shah**  
Managing Director  
DIN : 00009596

Mumbai, June 22, 2016

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### CERTIFICATION UNDER REGULATION 17 (8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, the undersigned in our respective capacities as Managing Director and Chief Financial Officer of Hubtown Limited ('the Company') to the best of our knowledge and belief certify that :

- a. We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading; and
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing generally accepted accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended March 31, 2016 which are fraudulent, illegal or violative of the Company's Code of Business Conduct and Ethics;
- c. We hereby declare that all the members of the Board and Senior Management Personnel have confirmed compliance with the Code of Business Conduct and Ethics as adopted by the Company ;
- d. We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors of the Company and the Audit and Compliance Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies; and
- e. We have indicated, based on our evaluation, wherever applicable, to the Auditors and the Audit and Compliance Committee :
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting;

**For Hubtown Limited**

**Vyomesh M. Shah**  
Managing Director  
DIN : 00009596

**Anil Ahluwalia**  
Chief Financial Officer

Mumbai, June 22, 2016



## CORPORATE GOVERNANCE REPORT (CONTD.)

**To the Members of  
Hubtown Limited**

### **Certificate regarding Compliance of conditions of Corporate Governance**

We have examined the records concerning the compliance of conditions of Corporate Governance by Hubtown Limited ("the Company") for the year ended on 31 March 2016, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges of India for the period from April 1, 2015 to November 30, 2015 and as per the Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the period from December 1, 2015 to March 31, 2016.

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 conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the examination, and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements/Listing Regulations, as applicable.

We further state that, such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Ashish Bhatt & Associates**  
Company Secretaries

**Ashish Bhatt**  
Membership No 4650  
CP No 2956

Date : June 22, 2016  
Place : Thane

## GENERAL SHAREHOLDER INFORMATION

### 1. Twenty Eighth Annual General Meeting :

Day	<b>Thursday</b>
Date	<b>September 29, 2016</b>
Time	<b>10.00 a.m.</b>
Venue	<b>'Kilachand Conference Room', 2nd floor, Indian Merchants' Chamber Building, Indian Merchants Chamber Marg, Churchgate, Mumbai 400020.</b>

### 2. Calendar for Financial Reporting:

For the Financial Year 2016–2017, the Financial Results will be announced as per the following tentative schedule (subject to change) :

First Quarter ending June 30, 2016	} within 45 days of the close of the respective reporting period.
Second Quarter and Half Year ending September 30, 2016	
Third Quarter ending December 31, 2016	
Year ending March 31, 2017	within 60 days of the close of the financial year.
Newspapers wherein results are published	Free Press Journal and Navshakti
Website where the financial results, shareholding pattern and annual report, etc. are uploaded	<a href="http://www.hubtown.co.in">www.hubtown.co.in</a> <a href="http://www.bseindia.com">www.bseindia.com</a> <a href="http://www.nseindia.com">www.nseindia.com</a>

### 3. Date of Book Closure:

The Register of Members and Share Transfer Books shall remain closed from **Friday, September 23, 2016 to Thursday, September 29, 2016** (both days inclusive) for the purpose of the Annual General Meeting.

### 4. Dividend Payment Date:

The Board of Directors has not recommended any dividend on the equity shares for the year ended March 31, 2016.

### 5. Listing Details:

<b>Equity Shares</b>	<b>Secured Redeemable Non-Convertible Debentures (issued on private placement basis)</b>
BSE Limited ( <b>BSE</b> ) Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 001	BSE Limited (Wholesale Debt Market) Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 001
National Stock Exchange of India Limited ( <b>NSE</b> ) 'Exchange Plaza', Bandra Kurla Complex Bandra (East), Mumbai 400 051	

The Company has paid the Annual Listing Fees to BSE and NSE for the Financial Year 2016 - 2017.

## SHAREHOLDER INFORMATION (CONTD.)

### 6. Stock Code / Symbol :

BSE	<b>532799</b>
NSE	<b>HUBTOWN EQ</b>
BLOOMBERG	<b>HUB : IN</b>
REUTERS	<b>HUBT.NS</b>
CORPORATE IDENTITY NUMBER (CIN)	<b>L45200MH1989PLC050688</b>
INTERNATIONAL SECURITIES IDENTIFICATION NOS. (ISIN)	
• Equity Shares	<b>INE703H01016</b>
• Secured Redeemable Non-convertible Debentures	<b>INE703H07112</b>

### 7. Custodial Fees to Depositories :

The Company has paid annual custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the Financial Year 2016-2017 on the basis of number of beneficial accounts maintained by the respective depositories as on March 31, 2016.

### 8. Market Price Data during 2015-2016 :

The monthly high and low market price and volume of the Company's shares traded on BSE and NSE during each month of the Financial Year from April 1, 2015 to March 31, 2016 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Volume (in nos.)	High (₹)	Low (₹)	Volume (in nos.)
April 2015	109.5	91.95	351,597	109.4	91.65	504,668
May 2015	110	92.4	220,414	106.5	92.5	257,974
June 2015	107	88	164,967	109.4	88.75	283,420
July 2015	114.4	85.5	554,709	113.5	85.35	809,255
August 2015	125	105.9	240,736	124.45	105.55	344,679
September 2015	136.7	115	174,304	137	115.15	260,613
October 2015	145.5	122.3	269,720	146	123	202,819
November 2015	130	111.1	46,414	130.9	112	75,677
December 2015	120.5	107.7	18,958	125.7	107.1	46,969
January 2016	113.9	91	74,384	112.5	95.75	83,174
February 2016	115	93.3	265,933	115.85	90.75	208,320
March 2016	110	98	262,104	109.9	99	129,660

Source : [www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com)

## SHAREHOLDER INFORMATION (CONTD.)

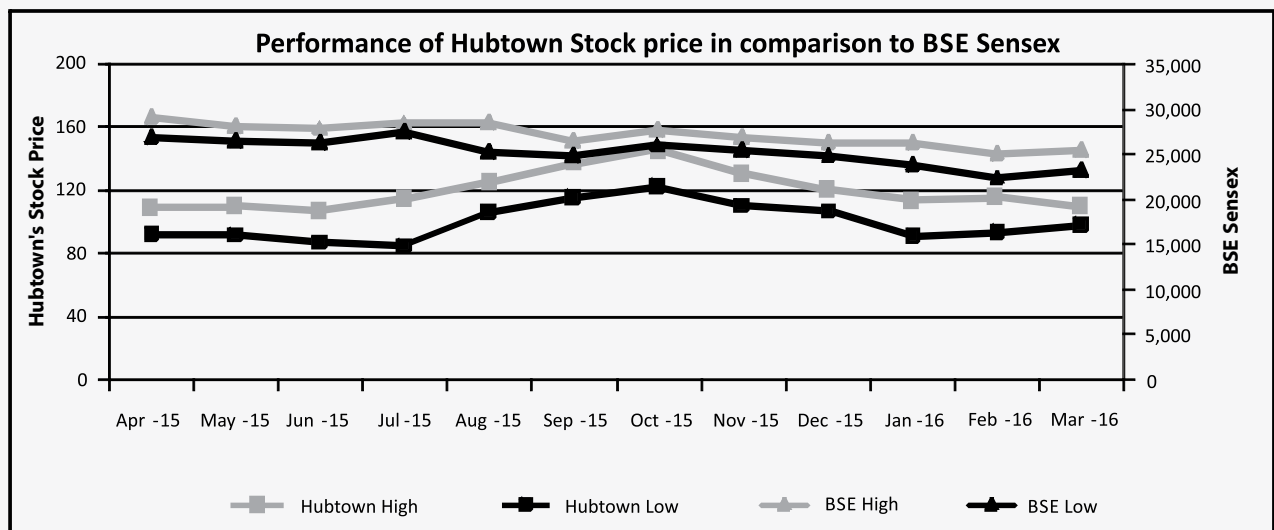
### 9. Market Capitalisation :

		BSE	NSE
No. of shares traded		26,44,240	32,07,228
Highest Share Price	(₹)	145.5	146
Lowest Share Price	(₹)	85.5	85.35
Closing Share Price as on March 31, 2016	(₹)	103.8	103.45
Market Capitalisation as on March 31, 2016	(₹ in crores)	755.00	752.45

### 10. BSE Sensex :

Month	BSE Sensex	
	High	Low
April 2015	29094.61	26897.54
May 2015	28071.16	26423.99
June 2015	27968.75	26307.07
July 2015	28578.33	27416.39
August 2015	28417.59	25298.42
September 2015	26471.82	24833.54
October 2015	27618.14	26168.71
November 2015	26824.3	25451.42
December 2015	26256.42	24867.73
January 2016	26197.27	23839.76
February 2016	25002.32	22494.61
March 2016	25479.62	23133.18

### 11. Stock Performance (Indexed) :



## SHAREHOLDER INFORMATION (CONTD.)

### 12. Registrar and Transfer Agent :

Link Intime India Private Limited  
 C-13, Pannalal Silk Mills Compound  
 L.B.S. Marg, Bhandup (West)  
 Mumbai – 400 078  
 Tel : 022- 2596 3838 : Fax : 022 – 2594 6969  
 website : [www.linkintime.co.in](http://www.linkintime.co.in)  
 Time : 10.00 a.m. to 1.00 p.m. and 1.30 p.m. to 5.00 p.m.

### 13. (a) Registered Office :

'Ackruti Center Point', 6th floor  
 Central Road, Marol MIDC  
 Andheri (East), Mumbai – 400 093  
 Maharashtra.  
 Phone : 022- 66830400 Fax : 022-66830602

(b) Web Site : [www.hubtown.co.in](http://www.hubtown.co.in)

### 14. Trustees for Debentureholders :

IL&FS Trust Company Limited  
 The IL&FS Financial Centre  
 Plot C-22, G Block, Bandra Kurla Complex  
 Bandra (East), Mumbai 400 051

### 15. Share Transfer System :

The transfer of shares in physical form is processed and completed by Registrar and Transfer Agent – Link Intime India Private Limited within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants. In terms of Regulation 40 (9) of Listing Regulations, the Company ensures that the Registrar and Transfer Agent furnishes a certificate from a practicing company secretary to the Company, certifying that all certificates, if any, have been issued within thirty days of the date of lodgment for transfer, sub-division, consolidation or renewal, exchange or endorsement of calls/allotment monies, which is subsequently filed with the Stock Exchanges.

The Registrar and Transfer Agent attends to investor grievances in consultation with the Secretarial Department of your Company.

### 16. Distribution of shareholding size class as on March 31, 2016 :

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 500	19241	97.03	840014	1.15
501 - 1000	259	1.31	202249	0.28
1001 - 2000	119	0.60	181297	0.25
2001 - 3000	47	0.24	117182	0.16
3001 - 4000	20	0.10	71332	0.10
4001 - 5000	19	0.09	90275	0.12
5001 - 10000	33	0.17	254109	0.35
10001 - above	92	0.46	70979413	97.59
<b>TOTAL</b>	<b>19830</b>	<b>100.00</b>	<b>72735871</b>	<b>100.00</b>

## SHAREHOLDER INFORMATION (CONTD.)

### 17. Distribution of shareholding by ownership as on March 31, 2016 :

CATEGORY	No. of Shareholders	No. of shares held	% of Total
<b>A. Shareholding of Promoter and Promoter Group</b>			
<b>1. Indian</b>			
a. Individuals / Hindu Undivided Family	17	51536816	70.85
b. Bodies Corporate	2	600000	0.82
<b>Sub-Total (A) [1]</b>	<b>19</b>	<b>52136816</b>	<b>71.67</b>
<b>2. Foreign</b>	—	—	—
<b>Sub-Total (A) [2]</b>	—	—	—
<b>A Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)</b>	<b>19</b>	<b>52136816</b>	<b>71.67</b>
<b>B. Public Shareholding</b>			
<b>1. Institutions</b>			
a. Mutual Funds	—	—	—
b. Financial Institutions / Banks	2	175550	0.24
c. Venture Capital Fund	—	—	—
d. Insurance Companies	1	56937	0.08
e. Foreign Institutional Investors	2	2659500	3.66
f. Central / State Government	1	5	—
<b>Sub-Total (B) (1)</b>	<b>6</b>	<b>2891992</b>	<b>3.98</b>
<b>2. Non-Institutions</b>			
a. Bodies Corporate	270	9942530	13.67
b. Resident Individuals			
i. Individual shareholders holding nominal capital upto ₹ 2 lakhs	18615	1525488	2.10
ii. Individual shareholders holding nominal capital in excess of ₹ 2 lakhs	29	3496554	4.81
c. Trusts	3	45	—
d. Hindu Undivided Family	635	113189	0.15
e. Non-Residents	163	2314544	3.18
f. Overseas Corporate Bodies	2	11	—
g. Clearing Members	88	314702	0.43
<b>Sub-Total (B) (2)</b>	<b>19805</b>	<b>17707063</b>	<b>24.34</b>
<b>B. Total Public Shareholding (B) = (B)(1) + (B) (2)</b>	<b>19811</b>	<b>20599055</b>	<b>28.32</b>
<b>GRAND TOTAL (A) + (B)</b>	<b>19830</b>	<b>72735871</b>	<b>100.00</b>

### 18. Dematerialisation of shares and liquidity :

As per the directions of SEBI, the Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2016, 7,27,35,529 equity shares constituting nearly 100 % of the total share capital of the Company were held in dematerialized form.

#### Status of Dematerialisation as on March 31, 2016 :

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL
National Securities Depository Limited	62,819,542	86.37
Central Depository Services (India) Limited	99,15,987	13.63
<b>TOTAL DEMATERIALISED</b>	<b>7,27,35,529</b>	<b>100</b>
Physical	342	—
<b>GRAND TOTAL</b>	<b>7,27,35,871</b>	<b>100</b>

## SHAREHOLDER INFORMATION (CONTD.)

### 19. Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their impact on Equity:

As at March 31, 2016, the Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

### 20. Commodity price risk or foreign exchange risk and hedging activities :

The Company is not exposed to Commodity Price risk or foreign exchange risk and has not undertaken any hedging activities.

### 21. Address for Correspondence:

Physical Shares		Electronic Shares
<b>Address</b>	: Link Intime India Private Limited C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West) Mumbai – 400 078	Respective Depository Participants of the Shareholders
<b>Contact Person</b>	: Ganesh Jadhav	
<b>E-mail</b>	: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	
<b>Time</b>	: 10.00 a.m. to 1.00 p.m. and 1.30 p.m. to 5.00 p.m.	

### 22. Exclusive E- mail ID for redressal of investor complaints :

In terms of Regulation 85 (4) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, ('Listing Regulations'), the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is [investorcell@hubtown.co.in](mailto:investorcell@hubtown.co.in). Investors / Shareholders can send their complaints / grievances to the above e-mail ID and the same will be attended to by the Secretarial Department.

SEBI toll-free helpline service for investors : 1800 22 7575 (available on all days from 9.30 a.m. to 5.30 a.m. excluding declared holidays).

For any queries/feedback or assistance, you may also contact 022-26449188/26449199/40459188/40459199 or send e-mail to [sebi@sebi.gov.in](mailto:sebi@sebi.gov.in).

### 23. Payment of dividend through National Electronic Clearing Service (NECS facility) :

The Company provides the facility for direct credit of the dividend to the members bank account. Regulation 12 of Listing Regulations also mandates companies to credit the dividend to the members by using electronic clearing services, direct credit, real time gross settlement, national electronic funds transfer, etc. Members are, therefore, urged to avail this facility to ensure safe and speedy credit of their dividend into their respective bank accounts through the Banks "Automated Clearing House". Members who hold shares in demat mode should inform their depository participant and such of the members holding shares in physical form should inform the Company's Registrar and Transfer Agent their latest bank account number allotted to them by their banks. In cases where the bank account details are not intimated either to the depository participant or to the Registrar and Transfer Agent, the Company will issue dividend warrants to such members.

### 24. Nomination Facility :

Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, a shareholder may, at any time, nominate in Form No. SH.13 any person to whom his shares shall vest in the event of his death. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee by giving a notice of such cancellation or variation in Form No. SH.14.

Shareholders holding shares in physical form and are desirous of making a nomination or cancelling/various the nomination so made, are requested to send their requests in Form No. SH. 13 or SH. 14 as the case may be, to the Company's Registrar and Transfer Agent. Shareholders holding shares in electronic form are requested to give their nomination request directly to their respective Depository Participants.

Form Nos. SH.13 and SH. 14 can be obtained from the Company's Registrar and Transfer Agent or downloaded from the Company's website: [www.hubtown.co.in](http://www.hubtown.co.in) under the Section 'Investors/Investor Services'.

### 25. Reconciliation of Share Capital Audit :

Pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1956, a qualified practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and the total number of shares in physical form.

## SHAREHOLDER INFORMATION (CONTD.)

### 26. E-Voting :

Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company has availed the services of Central Depository Services (India) Limited (CDSL) for providing the necessary e-voting platform to the members for the ensuing Annual General Meeting.

For detailed information on the e-voting procedure, members may please refer the Notes to the Notice of the Annual General Meeting.

### 27. Transfer of underlying shares to Investor Education and Protection Fund (IEPF) (in cases where unclaimed dividends have been transferred to IEPF)

Attention of the members is invited to Regulation 39 (4) and Schedule VI to Listing Regulations which requires the Company, in cases where unclaimed dividends have been transferred to Investor Education and Protection Fund (IEPF) under Section 124 (5) of the Companies Act, 2013, to also transfer the underlying shares to IEPF. The said Regulation has come into effect from December 1, 2015.

### 28. General Information :

- A. In terms of the Regulations of NSDL and CDSL, the bank account details of Beneficial Owners of shares held in electronic form will be printed on the dividend warrants as furnished by the Depository Participants (DP). The Company will not entertain any request for change of bank details printed on their dividend warrants. In case of any changes in your bank details, please inform your DP immediately.
- B. Beneficial Owners of shares held in electronic form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc. directly to their DP as the same are maintained by the DP. Members holding shares in physical form are requested to notify to the Company or the Registrar and Transfer Agent, change in their address/pin code number and bank account details promptly by written request under the signature of sole/first joint holder.
- C. To prevent fraudulent encashment of dividend warrants, members are requested to provide their bank account details (if not provided earlier) to the Company or its Registrar and Transfer Agent (if shares are held in physical form) or to DP (if shares are held in electronic form), as the case may be, for printing of the same on their dividend warrants.
- D. SEBI has made it mandatory in respect of securities market transactions and off market/private transactions involving transfer of shares in physical form of listed companies for the transferee(s) to furnish copy of PAN card to the Company/Registrar and Transfer Agent for registration of transfer of such shares.
- E. SEBI has further clarified that it shall be mandatory to furnish a copy of PAN card in the following cases :
  - Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
  - Transmission of shares in favour of legal heir(s), where the deceased shareholder was the sole holder of shares.
  - Transposition of shares, when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.



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**FINANCIAL STATEMENTS**  
**FOR YEAR ENDED MARCH 31, 2016**

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## INDEPENDENT AUDITORS' REPORT

To  
The Members of Hubtown Limited

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of HUBTOWN LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 financial controls relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

Attention is invited to:

- (a) Note 2 (III) (A) (ii) and (iii) in the financial statements with regard to recognition of expense and income for ongoing projects which is based upon estimated costs, as per the judgement of the management, which have been relied upon by us, these being technical matters.
- (b) Note 4 (footnote b) in the financial statements with regard to non-creation of investments to the extent of 15% of the value of the redeemable debentures, which is required to be created and earmarked in the manner prescribed under Rule 18 (7) (c) of the Companies (Share Capital and Debentures) Rules, 2014 notified by the Ministry of Corporate Affairs.
- (c) Note 17 (footnote b) of the financial statements regarding the status of the projects and the opinion framed by the Company's management regarding realizable value of the costs incurred, being a technical matter, relied upon by us.
- (d) Note 32 (i) (B), regarding guarantees issued and securities provided aggregating ₹ 90099.69 lakhs by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the profits for the year and the net worth of the Company. In the opinion of the Management, these are not expected to result into any financial liability to the Company.
- (e) Note 32 (footnote b) of the financial statements with regard to reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities given by the Company.
- (f) Note 39 of the financial statements with regard to balances that are subject to confirmations, reconciliation and adjustments, if any.
- (g) Note 14 of the financial statements with regard to amounts deposited with the Hon'ble Sessions Court, Mumbai as deposits on account of an ongoing case in connection with a commercial transaction with an erstwhile associate company. In connection with the above, a bank account of the Company has been attached by the Maharashtra State CID. Considering the facts of the matter and its pendency, we are unable to express any opinion on the same as the matter is sub-judice.

## INDEPENDENT AUDITORS' REPORT (CONTD.)

- (h) Note 27 (footnote c) of the financial statements with regard to corporate social responsibility (CSR) expense, which is subject to cheque realization by the recipient.
- (i) The Company has not charged interest on advances given to various group entities developing real estate projects, in which the Company has a business interest.

Our opinion is not qualified in respect of the above matters.

### Other Matters

Attention is invited to:

- (a) The Statement of Profit and Loss of the Company which includes share of loss (net) from investments in partnership firms / joint ventures aggregating ₹ 4.75 lakhs are based on the financial statements of the joint ventures / firms as audited by other auditors whose reports have been furnished to us, which have been relied upon by us. Further, the Statement of Profit and Loss of the Company includes share of loss from investments in partnership firms / joint ventures aggregating ₹ 720.93 lakhs are based on the financial statements of the joint ventures / firms as prepared by the management and presented to us on which we have relied.
- (b) Note 12 (footnote e) regarding the Company's investments in certain subsidiaries, jointly controlled entities and associates as at 31st March, 2016 which have incurred losses and have negative net worth as at March 31, 2016.

### Report on Other Legal and Regulatory Requirements

- I. As required by the provisions of 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order;
- II. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us :
    - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

**For Dalal Doshi & Associates**  
Firm Registration Number: 121773W  
Chartered Accountants

**Dinesh Doshi**  
Partner  
Membership No.: F-9464

Place : Mumbai  
Date : 22nd June, 2016

## ANNEXURE TO AUDITORS' REPORT

### ANNEXURE "A" REFERRED TO IN OUR REPORT TO THE MEMBERS OF HUBTOWN LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016;

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that: -

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the Management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed;
- (c) The title deeds of immovable properties are held in the name of the Company;
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts;
- (iii) The Company has granted unsecured loan to one company covered under the register maintained under Section 189 of the Act;
  - (a) In respect of the aforesaid loan, as per the terms and conditions the same is interest free and repayable on demand;
  - (b) The terms and conditions of the loan are prima facie, not prejudicial to the interest of the Company, and
  - (c) As the loan is repayable on demand, the question of overdue amount does not arise;
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it;
- (v) The Company has not accepted any deposits during the year from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified;
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act. We have broadly reviewed the cost records maintained by the Company in respect of projects and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete;
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of Income Tax, Provident Fund, Profession Tax, Tax Deducted at Source, Value Added Tax and Service Tax, the Company is generally regular in depositing undisputed statutory dues, including, Employees' State Insurance, Wealth Tax, duty of customs, duty of excise and other material statutory dues, as applicable, with the appropriate authorities. The extent of arrears of statutory dues outstanding as at the Balance Sheet date, for a period exceeding six months from the date they became payable are ₹ 2382.12 lakhs relating to Income Tax Deducted at Source, ₹ 0.07 lakhs relating to Provident Fund, ₹ 0.06 lakhs relating to Profession Tax, ₹ 697.58 lakhs relating to Value Added Tax and ₹ 330.02 lakhs relating to Service Tax;
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income Tax, Value Added Tax and Cess as at the Balance Sheet date which have not been deposited on account of a dispute, are as follows:

Statute and nature of dues	Financial Year	Amount (₹ in lakhs)	Forum where dispute is pending
<b>Income Tax Act, 1961</b>			
Income Tax	2003-04	17.48	Mumbai High Court
Income Tax	2004-05	21.31	Mumbai High Court
Income Tax	2005-06	20.92	Mumbai High Court
Income Tax	2009-10	6.46	Income Tax Appellate Tribunal, Mumbai
Income Tax	2010-11	431.4	Income Tax Appellate Tribunal, Mumbai
Income Tax	2011-12	29.64	Commissioner of Income Tax (Appeals), Mumbai
Income Tax	2012-13	2235.04	Commissioner of Income Tax (Appeals), Mumbai

## ANNEXURE TO AUDITORS' REPORT (CONTD.)

Statute and nature of dues	Financial Year	Amount (₹ in lakhs)	Forum where dispute is pending
<b>Maharashtra Value Added Tax Act, 2002</b>			
MVAT	2006-07	15.49	Joint Commissioner of Sales Tax (Appeals) – 3
MVAT	2007-08	0.26	Joint Commissioner of Sales Tax (Appeals) – 3
MVAT	2008-09	92.94	Deputy Commissioner of Sales Tax (Appeals) - 6
MVAT	2009-10	8.64	Joint Commissioner of Sales Tax (Appeals) – 3
MVAT	2010-11	5.31	Joint Commissioner of Sales Tax (Appeals) – 3
MVAT	2011-12	4.53	Joint Commissioner of Sales Tax (Appeals) – 3

- (viii) On the basis of the records examined by us and the information and explanations given to us, the Company has delayed in repayment of dues to banks, financial institution and debentures holders. Attention is invited to footnote "f" to Note 5 with regards to banks, footnote "g" to Note 8 with regards to financial institution and footnote "c" to Note 10 with regards to debentures, for the amounts and period of delays in payment of principle and interest thereon;
- (ix) In our opinion, and according to the information and explanations given to us, the term loans have been applied on an overall basis for the purposes for which they were obtained;
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management. Attention is however invited to Note 14 to accounts in connection with a commercial transaction with an erstwhile associate company;
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013;
- (xii) As the Company is not a nidhi company, the provisions of clause 3 (xii) of the Order are not applicable to the Company;
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transaction have been disclosed in the financial statements as required under Accounting Standard AS 18 - Related Party Disclosures specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company;
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company;
- (xvi) The Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For Dalal Doshi & Associates**  
Firm Registration Number: 121773W  
Chartered Accountants

**Dinesh Doshi**  
Partner  
Membership No.: F-9464

Place : Mumbai  
Date : 22nd June, 2016

## ANNEXURE TO AUDITORS' REPORT (CONTD.)

### "ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HUBTOWN LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act').

We have audited the internal financial controls over financial reporting of Hubtown Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risks. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that :

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## ANNEXURE TO AUDITORS' REPORT (CONTD.)

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Dalal Doshi & Associates**  
Firm Registration Number: 121773W  
Chartered Accountants

**Dinesh Doshi**  
Partner  
Membership No.: F-9464

Place : Mumbai  
Date : 22nd June, 2016

# HUBTOWN

## BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31 March, 2016 (₹ in lakhs)	As at 31 March, 2015 (₹ in lakhs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	7,273.59	7,273.59
Reserves and surplus	4	165,999.19	163,869.14
		<b>173,272.78</b>	<b>171,142.73</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	23,468.92	42,960.37
Other Long-term Liabilities	6	1,615.52	1,324.54
Long-term provisions	7	264.43	147.18
		<b>25,348.87</b>	<b>44,432.09</b>
<b>Current liabilities</b>			
Short-term borrowings	8	59,657.73	48,941.71
Trade payables	9	10,978.28	11,620.86
Other current liabilities	10	126,053.42	91,790.70
Short term provisions	7	152.01	159.43
		<b>196,841.44</b>	<b>152,512.70</b>
		<b>395,463.09</b>	<b>368,087.52</b>
	<b>Total</b>		
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets :	11		
Tangible assets		1,242.85	1,381.56
Intangible assets		—	0.20
Capital work-in-progress		—	22.84
Non-current investments	12	164,201.00	55,681.06
Deferred tax asset (Net)	13	3,157.53	3,002.84
Long term loans and advances	14	61,120.63	152,841.56
Other non-current assets	15	693.41	6,828.89
		<b>230,415.42</b>	<b>219,758.95</b>
<b>Current assets</b>			
Current investments	16	12,180.76	19,001.54
Inventories	17	96,439.93	83,416.95
Trade receivables	18	17,862.46	11,096.17
Cash and bank balances	19	948.90	3,040.57
Short-term loans and advances	14	29,107.74	24,790.88
Other current assets	15	8,507.88	6,982.46
		<b>165,047.67</b>	<b>148,328.57</b>
	<b>Total</b>	<b>395,463.09</b>	<b>368,087.52</b>

The accompanying notes 1 to 40 are an integral part of the Financial Statements.

As per our report of even date

For **DALAL DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

**DINESH DOSHI**  
PARTNER  
Membership No. : F - 9464

Mumbai  
Date: 22nd June, 2016

For and on behalf of the Board of Directors

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**CHETAN MODY**  
COMPANY SECRETARY

Nairobi  
Date: 22nd June, 2016

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Mumbai  
Date: 22nd June, 2016



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	Year ended 31 March, 2016 (₹ in lakhs)	Year ended 31 March, 2015 (₹ in lakhs)
<b>I. INCOME</b>			
Revenue from operations	20	35,114.19	41,598.73
Share of profit / (loss) from joint ventures and partnership firms (Net)		716.18	(369.03)
		<b>35,830.37</b>	41,229.70
Other income	21	3,180.11	4,213.96
<b>Total</b>		<b>39,010.48</b>	45,443.66
<b>II. EXPENSES</b>			
Costs of construction / development	22	13,976.35	9,419.66
Changes in inventories of work-in-progress, finished properties and FSI	23	(12,603.37)	(7,198.55)
Employee benefits expense	24	1,811.05	1,702.58
Finance costs	25	30,040.94	32,258.92
Depreciation and amortisation	26	301.12	402.96
Other expenses	27	3,821.66	7,223.83
<b>Total</b>		<b>37,347.75</b>	43,809.40
<b>Profit before extraordinary items and tax</b>		<b>1,662.73</b>	1,634.26
Extraordinary item		-	350.00
<b>Profit before tax</b>		<b>1,662.73</b>	1,984.26
Tax expense :			
Current tax		(326.68)	(504.00)
Excess / (Short) provision for taxation in respect of earlier years		671.02	312.53
Deferred tax (charge) / credit		154.69	(497.16)
<b>Profit after tax but before adjustments</b>		<b>2,161.76</b>	1,295.63
Prior period adjustments (Net)	28	(31.71)	(221.12)
<b>Profit for the year</b>		<b>2,130.05</b>	1,074.51
Earning per equity share of nominal value of ₹ 10/- each (in ₹)	29		
Earnings before extraordinary item: (in ₹)			
Basic and diluted		2.93	1.00
Earnings after extraordinary item: (in ₹)			
Basic and diluted		2.93	1.48

The accompanying notes 1 to 40 are an integral part of the financial statements.

As per our report of even date

For **DALAL DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

**DINESH DOSHI**  
PARTNER  
Membership No. : F - 9464

Mumbai  
Date: 22nd June, 2016

For and on behalf of the Board of Directors

**HEMANT M. SHAH**                      **VYOMESH M. SHAH**  
EXECUTIVE CHAIRMAN                      MANAGING DIRECTOR

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Mumbai  
Date: 22nd June, 2016

**CHETAN MODY**  
COMPANY SECRETARY

Nairobi  
Date: 22nd June, 2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation, and extraordinary item as per Statement of Profit and Loss	1,662.73	1,634.26
<b>Add / (Less) :</b>		
Finance costs	30,040.94	32,258.92
Share of (Profit) / Loss from investments in partnership firms and JVs	(716.18)	369.03
Profit on sale of investments in subsidiaries, JVs, etc. developing real estate projects (Net)	(2,879.93)	(1,375.72)
Depreciation and amortisation	301.12	402.96
Provision for doubtful advances and bad debts	—	9.15
Provision for diminution in value of investment	—	10.00
Project expenses written off / amortised	—	676.98
Prior period adjustments (Net)	(31.71)	(221.12)
Advances and other debit balances written off	23.01	1,685.50
(Profit) / Loss on sale of fixed assets (Net)	(1.44)	(8.74)
(Profit) / Loss on sale of investments (Net)	(15.01)	(2.27)
Provision for doubtful debts written back	(8.00)	(685.04)
Liabilities written back to the extent no longer required	(1,256.42)	(1,498.03)
Interest income	(1,576.99)	(2,548.20)
Sundry credit balances appropriated	(546.89)	(4.54)
	<b>23,332.50</b>	<b>29,068.88</b>
<b>Operating profit before working capital changes</b>	<b>24,995.23</b>	<b>30,703.14</b>
<b>Add / (Less) :</b>		
(Increase) / Decrease in inventories	(13,208.75)	(7,211.09)
(Increase) / Decrease in trade and other receivables (including current investment)	(1,896.58)	7,494.79
Increase / (Decrease) in trade and other payables	12,437.98	3,361.59
Direct taxes paid	(486.92)	(198.59)
	<b>(3,154.27)</b>	<b>3,446.70</b>
<b>Net cash flow from operating activities</b>	<b>21,840.96</b>	<b>34,149.84</b>
<b>II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES</b>		
Inflow / (Outflow) on account of :		
Interest income received	1,086.67	2,294.89
(Increase) / Decrease in loans and advances	(13,501.50)	(3,169.89)
(Increase) / Decrease in deposits with maturity of more than three months	1,384.78	(49.06)
Sale/(Purchase) of fixed assets, including capital work-in-progress (net)	6.24	(186.26)
Purchase of Long term / Current investments (net)	3,511.75	16,794.09
	<b>(7,512.06)</b>	<b>15,683.77</b>
<b>Net cash flow from investing activities</b>		
<b>III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES</b>		
<b>Inflow / (Outflow) on account of :</b>		
Increase / (Decrease) in long term and short term borrowings	8,708.62	(16,339.23)
Finance Cost paid	(24,153.73)	(32,689.40)
Dividend paid	—	0.04
	<b>(15,445.11)</b>	<b>(49,028.59)</b>
<b>Net cash flow from financing activities</b>		
<b>Net increase in cash and cash equivalents ( I + II + III )</b>	<b>(1,116.21)</b>	<b>805.02</b>
<b>Add: Balance at the beginning of the year</b>	<b>1,816.37</b>	<b>1,011.35</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>700.16</b>	<b>1,816.37</b>
<b>Components of cash and cash equivalents (refer note 19)</b>		
Cash and cash equivalents:		
Cash on hand	37.40	20.87
Balances with banks		
— On Current accounts	546.78	1,729.23
— Deposits with maturity of less than three months	115.98	66.27
	<b>700.16</b>	<b>1,816.37</b>

Footnote:

Previous year figures have been regrouped / reclassified wherever necessary, to make them comparable with current year figures.

As per our report of even date

For **DALAL DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

**DINESH DOSHI**  
PARTNER  
Membership No. : F - 9464

Mumbai  
Date: 22nd June, 2016

For and on behalf of the Board of Directors

**HEMANT M. SHAH**                      **VIJAYESH M. SHAH**  
EXECUTIVE CHAIRMAN                      MANAGING DIRECTOR

**CHETAN MODY**  
COMPANY SECRETARY

Nairobi  
Date: 22nd June, 2016

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Mumbai  
Date: 22nd June, 2016

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### NOTE '1' : CORPORATE INFORMATION

Hubtown Limited is a listed public limited company domiciled in India, incorporated under the Companies Act, 1956. The Company is engaged in real estate business of construction and development of Residential and Commercial Premises, Build Operate Transfer (BOT) Projects, etc. through both - on its own and through its subsidiaries / joint ventures / associate companies.

### NOTE '2' : SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of preparation of financial statements

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 as specified under Section 133 of the Companies Act, 2013. The financials statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance notes as set out in Schedule III to the Companies Act, 2013.

Operating Cycle for the business activities of the Company covers the duration of the specific project/ contract/ service and extends upto the realisation of receivables within the agreed credit period normally applicable to the respective project.

#### II. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions, that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

#### III. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured and also when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

##### A. Revenue from sale of properties / rights

- i. Revenue from sale of 'finished properties / buildings / rights' is recognised on transfer of all significant risks and rewards of ownership of such properties / buildings / rights, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sale contracts / agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

- ii. For projects commenced and period where revenue is recognised before April 1, 2012:

Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met :

- a. 25% of the total estimated construction and development costs of the project; and
- b. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

Further, revenue recognition is restricted, in case, where the project cost is revised, resulting in decrease of percentage of actual cost incurred to total estimated cost. The effect of changes in cost, if any, is recognized in the financial statements for the period in which such changes are determined.

- iii. For projects commenced on or after April 1, 2012 and also for projects which have already commenced but where revenue is being recognised for the first time on or after April 1, 2012:

Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met :

- a. All critical approvals necessary for the commencement of the project have been obtained;
- b. The expenditure incurred on construction and development costs, excluding land costs, is not less than 25% of the total estimated construction and development costs of the project;

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '2' : (Contd.)

- c. At least 25% of the saleable project area is secured by agreements with the buyers; and
- d. At least 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed on the Company by statutory authorities is postponed till such obligations are substantially discharged.

Estimated costs relating to construction / development are charged to the Statement of Profit and Loss in proportion to the revenue recognized during the year. The balance costs are carried as part of 'Incomplete Projects' as inventories under current assets. Amounts receivable / payable are reflected as 'Trade Receivables / Unbilled Receivables or Advances from Customers', respectively, after considering income recognized in the aforesaid manner.

- iv. The Company has adopted the principles of revenue recognition on the basis of "Guidance Note on Accounting Treatment for Real Estate Transactions (Revised 2012)" issued by the Institute of Chartered Accountants of India, for all projects on which revenue recognition was not commenced till 31 March, 2012. Revenue recognition policy on real estate transactions, which was followed prior to March 31, 2012 is continued to be followed on such erstwhile projects. There is no impact on the current year profits on account of such change in revenue recognition policy.
- v. Losses expected to be incurred on projects under construction, are charged in the Statement of Profit and Loss in the period in which the losses are known.
- vi. Costs of the projects are based on the management's estimate of the cost to be incurred upto the completion of the projects and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically.
- vii. The sale proceeds of the investments held in subsidiaries, joint ventures, etc. developing real estate projects are included in real estate revenue, net of cost.

#### **B. Revenue from project management services:**

Revenue from 'project management services' is recognized based on the agreements between the Company and the parties to whom such services are rendered.

#### **C. Profit / loss from partnership firms / association of persons:**

Share of profit / loss from partnership firms / association of persons (AOP) is accounted in respect of the financial year of the Firm / AOP, during the reporting period, on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

#### **D. Income from leased premises:**

Lease income from operating lease is recognised in the Statement of Profit and Loss on straight line basis over the lease term.

#### **E. Interest and dividend:**

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the right to receive dividend is established.

#### **F. Others:**

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

### **IV. Tangible assets and depreciation / amortisation**

- A. Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- B. Tangible assets disclosed under 'Non current investments' as 'Investment properties', are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any. Attention is also invited to Accounting Policy No. (VI)(C).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '2' : (Contd.)

- C. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.
- D. Cost of Leasehold Land is amortised on a straight line basis, over the primary lease period.
- E. Cost of Mivan System is amortised on a straight line basis, over the life of the project, but not exceeding a period of five years.

### V. Intangible assets and amortisation

Computer softwares are classified as intangible assets and are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life of five years, as determined by the management.

### VI. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

- A. 'Stock of material at Site' includes cost of purchase, other costs incurred in bringing them to their respective present location and condition. Cost formula used is average cost.
- B. 'Incomplete Projects' include cost of incomplete properties for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate directly to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure in the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.
- C. Finished properties given under operating lease are disclosed under 'Non current investments' as 'Investment properties'. The costs transferred to the 'Investment properties' are shown as deductions from the costs carried in opening inventory and construction costs incurred during the year. These assets are depreciated / amortised as per the Accounting Policy Nos. (IV)(C) and (IV)(D). Although the Company considers these assets as Inventories held for sale in the ordinary course of business, the disclosure under 'Non Current investments' as 'Investment properties' and provision for depreciation / amortisation is made to comply with the requirements of Accounting Standard AS 19 – 'Leases' and Accounting Standard AS 13 - 'Investments'.
- D. Value of 'Floor Space Index' (FSI) generated is recognized as inventory at cost (i.e. proportionate rehab component cost) as and when necessary obligations / conditions are fulfilled in entirety, which are imposed on the Company by statutory authorities (viz. Rehabilitation Authority, etc.), in lieu of which the FSI is allotted to the Company. The value of FSI is either carried as inventory (at cost) held for intended sale or with the intention to utilise in construction of projects undertaken for sale.

Inventory value includes costs incurred upto the completion of the project viz. cost of land / rights, value of Floor Space Index (FSI), materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

### VII. Investments

- A. Investments are classified into Current and Non Current / Long Term Investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize decline, other than temporary, in the value of long term investments.
- B. Current Accounts in Partnership Firms and Joint Ventures represents additional contribution, share of profits and losses and excess withdrawal of funds. Additional contribution and share of profits to the extent not withdrawn is carried as 'Current Investment in Partnership Firms and Joint Ventures' under 'Current / Non Current Investment' as the case may be. Excess withdrawals and share of losses are booked under 'Other Current Liabilities'.

### VIII. Employee benefits

- A. **Short term employee benefits** are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered;
- B. **Post Employment Benefits**
  - i. Defined contribution plans: The Company's contribution to State governed Provident Fund Scheme is recognized in the year in which the related service is rendered;
  - ii. Defined benefit plans: The present value of gratuity obligation is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. In the case of gratuity which is funded with Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis;

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '2' : (Contd.)

- C. **Other long-term benefits** (leave entitlement) are recognized in a manner similar to defined benefit plans;
- D. **Termination Benefits** are recognized as an expense in the Statement of Profit and Loss for the year in which they are incurred; and
- E. **Actuarial gains / losses** are recognized in the Statement of Profit and Loss during the relevant period.

### IX. Borrowing costs

Interest and other borrowing costs (including ancillary borrowing costs) attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Ancillary borrowing costs (including front-end fees, processing fees, etc. due to which rate of borrowing gets reduced) are amortised over the period of the related borrowing, but not exceeding a period of three years. Other borrowing costs are charged to the Statement of Profit and Loss.

### X. Foreign currency transactions

- A. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.
- B. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date, are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.
- C. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

### XI. Segment reporting

The Company is engaged in the business of Real Estate Development, which as per Accounting Standard AS- 17 'Segment Reporting' is considered to be the only reportable business segment. The Company is also primarily operating within the same geographical segment. Hence, disclosures under AS-17 are not applicable.

### XII. Impairment of assets

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

### XIII. Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable for the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

Excess / short provision for taxation are recognized on completion of necessary taxation proceedings (viz. revised returns, assessments, etc.)

In case, the Company is liable to pay income tax under Section 115JB of the Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognised as an asset (MAT Credit Entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

### XIV. Provisions, contingent liabilities and contingent assets

Provisions involving a substantial degree of estimation in measurement are recognized when there is 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 financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '3'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
125,000,000 (P.Y. 125,000,000) Equity Shares of ₹ 10/- each	12,500.00	12,500.00
	<b>12,500.00</b>	<b>12,500.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
72,735,871 (P.Y. 72,735,871) Equity Shares of ₹ 10/- each fully paid up	7,273.59	7,273.59
<b>Total</b>	<b>7,273.59</b>	<b>7,273.59</b>
Footnotes:		
a. <b>Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year</b>		
Number of shares at the beginning of the year	72,735,871	72,735,871
Add/(Less) :		
Issued during the year	—	—
Buyback during the year	—	—
Conversion during the year	—	—
<b>At the end of the year (Nos.)</b>	<b>72,735,871</b>	<b>72,735,871</b>

	31 March, 2016		31 March, 2015	
	Nos.	% of Holding	Nos.	% of Holding
b. <b>Equity shareholders holding more than five percent shares in the Company</b>				
Hemant M. Shah	5,800,000	7.97%	5,800,000	7.97%
Vyomesh M. Shah	7,540,000	10.37%	7,540,000	10.37%
Hemant M. Shah with Vyomesh M. Shah	1,90,000	0.26%	1,90,000	0.26%
Mahipatray V. Shah (HUF)	9,600,000	13.20%	9,600,000	13.20%
Hemant M. Shah (HUF)	49,80,500	6.85%	49,80,500	6.85%
Vyomesh M. Shah (HUF)	3,925,000	5.40%	4,100,000	5.64%
Kunjai H. Shah	3,308,000	4.55%	5,308,000	7.30%
Falguni V. Shah	5,993,316	8.24%	5,993,316	8.24%

**c. Terms / rights attached to Equity Shares :**

The Company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '4'</b>		
<b>RESERVES AND SURPLUS</b>		
Securities premium account	60,716.12	60,716.12
Debenture redemption reserve		
Balance as per last financial statements	9,175.00	13,475.00
Add / (Less) :		
Amount transferred from surplus balance in the Statement of Profit and Loss	—	—
Amount transferred to general reserve	(794.00)	(4,300.00)
	<b>8,381.00</b>	9,175.00
General reserve		
Balance as per last financial statements	23,820.00	19,520.00
Add / (Less) :		
Amount transferred from debenture redemption reserve	794.00	4,300.00
	<b>24,614.00</b>	23,820.00
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	70,158.02	68,232.54
Profit for the year	2,130.05	1,074.51
Reversal of proposed equity dividend and tax thereon (Refer footnote a)	—	850.97
Less: Appropriations		
Transfer to debenture redemption reserve	—	—
Transfer to general reserve	—	—
Total appropriations	—	—
Net surplus in the Statement of Profit and Loss	<b>72,288.07</b>	70,158.02
	<b>165,999.19</b>	163,869.14

### Footnotes:

- In the Twenty Sixth Annual General Meeting of the Company held on 25th September, 2014, the motion for declaration of dividend on equity shares for the year ended March 31, 2014 was lost. Consequently no dividend was paid to the shareholders and hence proposed equity dividend and tax thereon has been reversed during the previous year.
- The Company, owing to liquidity crunch, has not invested / deposited ₹ 1257.61 lakhs (P.Y. ₹ 1,382.46 lakhs) in the manner prescribed under Rule 18(7) (c) of the Companies (Share Capital and Debentures) Rules, 2014 notified by the Ministry of Corporate Affairs.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	Non Current Portions		Current Maturities	
	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)	31 March, 2016 ₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '5'</b>				
<b>LONG-TERM BORROWINGS</b>				
<b>Debentures (Secured):</b>				
10,000 (P.Y. 10,000) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote a)	—	—	<b>5,884.07</b>	6,716.40
<b>Term Loans (Secured):</b>				
From banks (Refer footnote b)	<b>13,110.47</b>	38,459.10	<b>46,331.63</b>	27,412.72
From financial institution (Refer footnote c)	<b>10,300.00</b>	4,400.00	—	600.00
Other loans and advances:				
Loan from others (Secured) (Refer footnote d)	<b>58.45</b>	101.27	<b>42.82</b>	45.35
	<b>23,468.92</b>	42,960.37	<b>52,258.52</b>	34,774.47
<b>The above amounts include :</b>				
Secured borrowings	<b>23,468.92</b>	42,960.37	<b>52,258.52</b>	34,774.47
Amount disclosed under "Other Current Liabilities" (Refer note '10' )			<b>(52,258.52)</b>	(34,774.47)
<b>Total</b>	<b>23,468.92</b>	42,960.37	—	—

Footnotes:

- a. 20% Debentures of ₹ 1,00,000 each have been restructured as per third consent terms dated 17th February, 2016 to 22%, of which last instalment is to be redeemed on or before 23rd December, 2016. The said debentures are secured by first and exclusive charge on the premises located at MIDC, Andheri (East), project located at Andheri (West) Mumbai and secured against pledge of equity shares in the Company held by the promoters of Hubtown Limited.

- b. Secured term loans from banks carry interest rates within a range of 12.70% to 15.50 %. The nature of securities are:

Name of Lenders	Security Offered (Further secured by personal guarantee of one or more promoters)
1. Bank of Maharashtra	i. Mortgage on land and structures of projects located in Andheri (East), Bandra (East) and Pune. ii. First charge by way of escrow of receivables from above projects.
2. UCO Bank	i. Mortgage on land and structures thereto in respect of projects at Mulund and Thane. ii. Registered mortgage of the premises in the project located at Andheri (East), Mumbai. iii. First charge on lease rent receivables from above premises.
3. Dena Bank	i. Mortgage of unsold area of commercial project at Andheri (East), Mumbai. ii. First charge by way of escrow of receivables from above project. iii. Registered mortgage of the premises in the project located at Mahalaxmi, Mumbai. iv. First charge on lease rent receivables from above premises.
4. Oriental Bank of Commerce	i. Mortgage of unsold units of residential projects located in Andheri (East). ii. First charge by way of escrow of receivables from above projects.
5. Union Bank of India	i. Registered mortgage of the premises in the project located at Mahalaxmi, Mumbai. ii. First charge on lease rent receivables from above premises.
6. United Bank of India	i. Registered mortgage of the premises in the project located at Andheri (East). ii. First charge on lease rent receivables from above premises.

- c. Secured loan from financial institution carries IRR of 36.82%. This loan is secured against pledge of equity shares in the Company held by the promoters alongwith personal guarantee of the promoters and mortgage of the premises in the project located at Andheri (West).
- d. Secured loans of ₹ 101.27 lakhs are vehicle loans from others, which carry interest rates within a range of 10% to 11% and are repayable by January, 2019.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '5' (Contd.)

e. Details of repayment of long term borrowings are as follows :

Particulars	( ₹ in lakhs)			
	Up to 1 year	2 to 5 years	Above 5 years	Total
Debenture	5,884.07	—	—	5,884.07
Term loans from Banks	46,331.63	10,886.99	2,223.48	59,442.10
Term loan from Financial Institution	—	10,300.00	—	10,300.00
Loans from Others	42.82	58.45	—	101.27
<b>Total</b>	<b>52,258.52</b>	<b>21,245.44</b>	<b>2,223.48</b>	<b>75,727.44</b>

f. Period and amount of continuing default as on Balance Sheet date in repayment of term loans and interest:

Particulars	31 March, 2016		31 March, 2015	
	₹ in lakhs	Period	₹ in lakhs	Period
<u>Term loans from Banks</u>				
Overdue instalments	4,961.75	Jan 16 to Mar 16	839.74	Jan 15 to Mar 15
Interest	1,533.07	Jan 16 to Mar 16	967.31	Jan 15 to Mar 15
Overdue instalments	5,427.86	Sep 15 to Mar 16	—	—
Interest	1,657.30	Sep 15 to Mar 16	—	—
Overdue instalments	12,701.02	Apr 15 to Mar 16	—	—
Interest	1,735.32	Apr 15 to Mar 16	—	—
Overdue instalments	51.15	Before Apr 15	—	—
<u>Term loan from Financial Institution</u>				
Interest	—	—	171.23	Sep 14 to Mar 15
	<b>28,067.47</b>		<b>1,978.28</b>	

### NOTE '6'

#### OTHER LONG TERM LIABILITIES

Retention money payable

Security deposits from customers

**Total**

31 March, 2016 ( ₹ in lakhs)	31 March, 2015 ( ₹ in lakhs)
1,530.00	1,283.64
85.52	40.90
<b>1,615.52</b>	<b>1,324.54</b>

### NOTE '7'

#### PROVISIONS

##### Provisions for Employee Benefits

Provision for gratuity (Refer footnote b)  
[Net of plan assets ₹ 84.37 lakhs; (P.Y. ₹ 107.60 lakhs)]

Provision for leave benefit

##### Other Provisions

Provision for wealth tax

**Total**

Long Term		Short Term	
31 March, 2016 ( ₹ in lakhs)	31 March, 2015 ( ₹ in lakhs)	31 March, 2016 ( ₹ in lakhs)	31 March, 2015 ( ₹ in lakhs)
84.37	—	141.47	142.50
180.06	147.18	7.13	8.34
—	—	3.41	8.59
<b>264.43</b>	<b>147.18</b>	<b>152.01</b>	<b>159.43</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

**Footnotes:**

- a. An amount of ₹ 71.89 lakhs (P.Y. ₹ 62.01 lakhs) under Defined Contribution Plan is recognised as expense in the Statement of Profit and Loss.  
 b. The disclosures in respect of the Defined Benefit Gratuity Plan (to the extent of information made available by the actuary) are given below:

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>Change in present value of obligation :</b>		
Obligation at the beginning of the year	250.10	171.23
Current service cost	42.64	34.69
Interest cost	18.31	15.70
Actuarial (Gain) / Loss	29.85	29.76
Benefits paid	(30.69)	(1.28)
Obligation at the end of the year	310.21	250.10
<b>Change in Plan Assets :</b>		
Fair value of Plan Assets at the beginning of the year	107.60	137.49
Adjustment to Opening Fair Value of Plan Assets	—	(31.32)
Expected return on Plan Assets	8.17	9.58
Actuarial Gain / (Loss)	(2.98)	(8.66)
Contributions	2.27	1.79
Benefits paid	(30.69)	(1.28)
Fair value of Plan Assets at the end of the year	84.37	107.60
<b>Experience Analysis — Liabilities :</b>		
Actuarial (Gain)/Loss due to change in bases	(7.42)	(4.65)
Experience (Gain) / Loss due to change in experience	37.27	34.41
<b>Experience Analysis — Plan Assets :</b>		
Experience (Gain) / Loss due to change in Plan Assets	2.98	8.66
<b>Reconciliation of present value of the obligation and the fair value of Plan Assets and amounts recognized in the Balance Sheet :</b>		
Present value of the obligation at the end of the year	310.21	250.10
Fair value of Plan Assets at the end of the year	84.37	107.60
Net liability recognized in the Balance Sheet	(225.84)	(142.50)
<b>Gratuity cost recognised for the year :</b>		
Expected rate of return on Plan Assets	9.00%	9.00%
Current service cost	42.64	34.69
Interest cost	18.31	15.69
Expected return on Plan Assets	(8.17)	(9.58)
Actuarial Gain / (Loss)	32.84	38.42
Adjustment to Opening Fair Value of Plan Assets	—	31.32
Net gratuity cost	85.62	110.54
<b>Investment details of Plan Assets (Investments with insurer):</b>		
Government securities	48.54%	48.54%
Bonds / NCDs	31.90%	31.90%
Equity Shares	5.08%	5.08%
Fixed Deposits and Margin Money Deposits	14.48%	14.48%

Assumptions:	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Mortality	<b>IALM (2006-08) ULT</b>	IALM (2006-08) ULT	IALM (2006-08) ULT	LIC (1994-96) ULT	LIC (1994-96) ULT
Normal age of retirement	65	65	65	65	65
Discount rate	8.00%	7.80%	9.20%	8.05%	8.50%
Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%	5.00%
Withdrawal Plan	1.00%	1.00%	1.00%	1.00%	1.00%
Present value of obligations (₹)	310.21	250.10	171.23	217.44	260.67
Fair value of Plan Assets (₹)	84.37	107.60	137.49	191.64	179.17
Surplus / (Deficit) in the Plan (₹)	225.84	(142.50)	(33.74)	(25.80)	(81.50)

The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	<b>31 March, 2016</b> (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '8'</b>		
<b>SHORT TERM BORROWINGS</b>		
Debentures (Secured) ;		
250 (P.Y. 250) Redeemable Non-convertible debentures of the face value of ₹ 10,00,000 (P.Y. ₹ 10,00,000) each (Refer footnote a)	—	2,500.00
Working capital loan from bank (Secured) (Refer footnote b)	<b>1,413.18</b>	1,628.42
Short term loan :		
— from financial institution (Secured) (Refer footnote c)	<b>4,950.00</b>	—
Loans repayable on demand:		
— from companies (Secured) (Refer footnote d)	<b>7,372.78</b>	7,738.41
— from companies (Unsecured) (Refer footnote e)	<b>15,878.93</b>	15,513.34
— from others (Unsecured) (Refer footnote e)	<b>25,519.27</b>	17,605.00
Loan from a related party (Unsecured) (Refer footnote f) (Refer note 33)	<b>4,523.57</b>	3,956.54
<b>Total</b>	<b>59,657.73</b>	<b>48,941.71</b>
<b>The above amounts include :</b>		
Secured borrowings	<b>13,735.96</b>	11,866.83
Unsecured borrowings	<b>45,921.77</b>	37,074.88
	<b>59,657.73</b>	<b>48,941.71</b>

**Footnotes:**

- a. 250 21% Redeemable, Non-convertible debentures of the face value of ₹ 10,00,000 each, which matured on 27th March, 2016 and remained unpaid, has been disclosed as Unpaid Matured Debentures in Other Current Liabilities.
- b. Working capital loan from bank carries interest rate of 15.45 % (P.Y. 15.44%). The loan is secured against mortgage of premises located at MIDC, Andheri (East), Mumbai and further secured by personal guarantee of one or more promoters.

Name of lender	Security Offered
Canara Bank	Mortgage of the premises at MIDC Andheri (East), Mumbai and further secured by personal guarantee of one or more promoters.

- c. Secured loan from financial institution carries interest rate of 18%. The loan is secured against pledge of equity shares in the Company held by the promoters alongwith personal guarantee of promoters and mortgage of premises in the project located at Andheri (East).
- d. Secured loans from companies carry interest rate of 21% and are repayable on demand. However, loan from a company amounting to ₹ 5,925.00 lakhs is interest free. These Loans are secured against mortgage of unsold area of the commercial project at Andheri (East) and Jogeshwari and secured against pledge of equity shares in the Company held by the promoters.
- e. Unsecured loans from companies and others carry interest rates within a range of 15% to 36% and are repayable on demand.
- f. Interest free unsecured loan taken from a related party is repayable on demand.
- g. Period and amount of default as on Balance Sheet date in repayment of term loans and interest :

Particulars	31 March, 2016		31 March, 2015	
	(₹ in lakhs)	Period	(₹ in lakhs)	Period
Short term loan from financial institution				
Overdue instalments	—	—	—	—
Interest (Net of TDS)	<b>74.60</b>	<b>March 2016</b>	—	—
<b>Total</b>	<b>74.60</b>		—	—

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	<b>31 March, 2016</b> (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '9'</b>		
<b>TRADE PAYABLES</b>		
Trade Payables (Refer footnotes)	<b>10,978.28</b>	11,620.86
<b>Total</b>	<b>10,978.28</b>	11,620.86

**Footnotes:**

**Details of dues to Micro, Small and Medium Enterprises as defined under Micro Small Medium Enterprises Development Act, 2006 :**

- 'Trade payables' in Note 9 includes ₹ Nil (P.Y. ₹ 0.25 lakhs) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- No interest was paid / payable to micro and small enterprises during the year.
- The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of parties under the MSMED Act and has been relied upon by the auditors.
- Trade payable includes ₹ 697.96 lakhs (P.Y ₹ 1,052.54 lakhs) due to related parties. Further, attention is invited to Note 33.

	<b>31 March, 2016</b> (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '10'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debts (Refer note 5)	<b>52,258.52</b>	34,774.47
Interest accrued and due on borrowings (Refer foot note a)	<b>9,995.20</b>	6,207.50
Interest accrued but not due on borrowings	<b>2,099.50</b>	—
Overdrawn bank balances as per books of account	<b>336.00</b>	142.63
Income received in advance (advance from customers) (Refer foot note b)	<b>30,378.37</b>	27,858.29
Unpaid matured debentures and interest accrued thereon (Refer foot note c)	<b>3,526.49</b>	—
Investor Education and Protection Fund will be credited by the following amounts (as and when due):		
— Unclaimed/unpaid dividends	<b>3.88</b>	4.30
Other payables :		
— Statutory dues	<b>4,881.61</b>	4,760.87
— Current account balance in firms and joint ventures	<b>3,588.26</b>	4,459.90
— Employees benefit payables	<b>315.26</b>	203.45
— Security deposits (Refundable)	<b>11,564.32</b>	9,216.94
— Other miscellaneous (Refer footnote d)	<b>7,106.01</b>	4,162.35
<b>Total</b>	<b>126,053.42</b>	91,790.70

**Footnotes:**

- Interest accrued and dues includes ₹ Nil (P.Y. ₹ 977.36 lakhs) due to related parties. Further, attention is invited to Note 33.
- Income received in advance (advance from customers) includes ₹ 1,061.00 lakhs (P.Y. ₹ 1,061.00 lakhs) received from related parties. Further, attention is invited to Note 33.
- Period and amount of default as on the Balance Sheet date in respect of matured debentures and interest accrued thereon :

	<b>31 March, 2016</b>		31 March, 2015	
	(₹ in lakhs)	Period	(₹ in lakhs)	Period
Overdue Instalments:				
250 (P.Y. Nil) 21% Redeemable, Non-convertible debentures of the face value of ₹ 10,00,000 each	<b>2,500.00</b>	<b>March 2016</b>	—	—
Interest:				
250 (P.Y. Nil) 21% Redeemable, Non-convertible debentures of the face value of ₹ 10,00,000 each	<b>1,026.49</b>	<b>April 2014 to March 2016</b>	—	—
	<b>3,526.49</b>		—	—

- Other miscellaneous includes ₹ 529.28 lakhs (P.Y. ₹ 262.44 lakhs) due to related parties. Further, attention is invited to Note 33.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '11'

#### FIXED ASSETS

(₹ in lakhs)

SR. NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 31 March, 2015	Additions / Adjustments	Deductions / Adjustments	As at 31 March, 2016	Upto 31 March, 2015	Provided during the year	Deductions / Adjustments	Upto 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
<b>A.</b>	<b>Tangible Assets</b>										
	Freehold land	—	—	—	—	—	—	—	—	—	—
	Leasehold Land	37.29	—	—	<b>37.29</b>	17.39	1.22	—	<b>18.61</b>	<b>18.68</b>	19.90
	Commercial Premises (Refer Footnote a)	837.35	—	—	<b>837.35</b>	151.27	13.94	—	<b>165.21</b>	<b>672.14</b>	686.08
	Mivan System	366.39	—	—	<b>366.39</b>	345.27	2.80	—	<b>348.07</b>	<b>18.32</b>	21.12
	Computers and Laptops	17.49	1.58	—	<b>19.07</b>	14.89	1.76	—	<b>16.65</b>	<b>2.42</b>	2.60
	Furniture and Fixtures	460.53	0.08	—	<b>460.61</b>	243.25	36.78	—	<b>280.03</b>	<b>180.58</b>	217.28
	Vehicles	932.20	15.52	10.66	<b>937.06</b>	532.16	79.37	10.66	<b>600.87</b>	<b>336.19</b>	400.04
	Office Equipment	99.06	0.86	—	<b>99.92</b>	64.52	20.88	—	<b>85.40</b>	<b>14.52</b>	34.54
	<b>Total A</b>	<b>2,750.31</b>	<b>18.04</b>	<b>10.66</b>	<b>2,757.69</b>	<b>1,368.75</b>	<b>156.75</b>	<b>10.66</b>	<b>1,514.84</b>	<b>1,242.85</b>	1,381.56
<b>B.</b>	<b>Intangible Assets</b>				—						
	Computer softwares	519.16	—	—	<b>519.16</b>	518.96	0.20	—	<b>519.16</b>	—	0.20
	<b>Total B</b>	<b>519.16</b>	<b>—</b>	<b>—</b>	<b>519.16</b>	<b>518.96</b>	<b>0.20</b>	<b>—</b>	<b>519.16</b>	<b>—</b>	<b>0.20</b>
	<b>GRAND TOTAL (A+B)</b>	<b>3,269.47</b>	<b>18.04</b>	<b>10.66</b>	<b>3,276.85</b>	<b>1,887.71</b>	<b>156.95</b>	<b>10.66</b>	<b>2,034.00</b>	<b>1,242.85</b>	1,381.76
	Previous Year	4,233.32	172.68	1,136.53	3,269.47	1,862.80	255.28	230.37	1,887.71	1,381.76	—
<b>C.</b>	<b>Capital Work-in-Progress</b>									—	22.84

Footnotes:

- Commercial premises includes cost of shares aggregating ₹ 0.04 lakhs (P.Y. ₹ 0.04 lakhs) carrying the occupancy rights in the commercial premises.
- Leasehold land and Commercial premises deduction / adjustment includes ₹ Nil (P.Y. ₹ 1035.95 lakhs) transferred to Investment properties.

### NOTE '12'

#### NON CURRENT INVESTMENTS (AT COST)

(Trade, unless otherwise specified)

##### A) Investment properties (At cost less accumulated depreciation / amortisation)

Cost of land and building held for lease and capital appreciation	<b>5,150.80</b>	4,883.85
Addition / adjustment on account of reclassification of fixed assets	<b>185.78</b>	1,035.95
Transfer to opening inventory on account of sale during the year	-	(687.00)
Adjustment on account of reversal of provision	-	(82.00)
	<b>5,336.58</b>	5,150.80
Accumulated depreciation / amortisation	<b>828.15</b>	595.15
Adjustment on account of sale during the year	—	130.31
Provided during the year	<b>144.17</b>	147.68
Deduction on account of sale / transfer	-	(44.99)
	<b>972.32</b>	828.15
	<b>4,364.26</b>	4,322.65

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>B) Investment in equity instruments (At cost) (Unquoted)</b>		
<b>I) Subsidiary Companies (Fully paid up equity shares)</b>		
a) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) <b>Diviniti Projects Private Limited</b>	5.00	5.00
b) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) <b>Vishal Techno Commerce Limited</b>	5.00	5.00
c) 4,720 Equity shares of ₹ 100/-each (P.Y. 4,720) <b>Heet Builders Private Limited</b>	652.82	652.82
d) 25,500 Equity shares of ₹ 10/- each (P.Y. 50,000) <b>Devkrupa Build Tech Limited</b>	2.55	5.00
e) 37,000 Equity shares of ₹ 10/- each (P.Y. 37,000) <b>Gujarat Akruti - TCG Biotech Limited</b>	3.70	3.70
f) 50,000 Equity shares of ₹ 10/-each (P.Y. 50,000) <b>Urvi Build Tech Limited</b>	5.00	5.00
g) 36,215 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 36,215) <b>Ackruti Safeguard Systems Private Limited</b>	72.43	72.43
h) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) <b>Yantti Buildcon Private Limited</b>	5.00	5.00
i) 9,000 Equity shares of ₹ 10/- each (P.Y. 9,000) <b>Upvan Lake Resorts Private Limited</b>	0.90	0.90
j) 300,000 Equity shares of ₹ 100 each (P.Y. 3,00,000) <b>Vega Developers Private Limited</b>	300.00	300.00
k) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) <b>ABP Realty Advisors Private Limited</b>	5.00	5.00
l) 10,000 Equity shares of ₹ 10/- each (P.Y.10,000) <b>Headland Farming Private Limited</b>	1.00	1.00
m) 10,000 Equity shares of ₹ 10/- each (P.Y.10,000) <b>Heddle Knowledge Private Limited</b>	1.00	1.00
n) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) <b>Citygold Education Research Limited</b>	5.00	5.00
o) 10,000 Equity shares of ₹ 10/- each (P.Y. 10,000) <b>Citygold Farming Private Limited</b>	1.00	1.00
p) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) <b>India Development and Construction Venture Capital Private Limited</b>	5.00	5.00
q) 12,431,045 (Class 'A') Equity shares of ₹ 10 /- each (P.Y. 12,431,045) <b>Joynest Premises Private Limited</b>	1,324.15	1,324.15
r) 52,558,955 (Class 'C') Equity shares of ₹ 10 /- each (P.Y. 52,558,955) <b>Joynest Premises Private Limited</b>	5,255.90	5,255.90
s) 7,400 Equity Shares of ₹ 10 /- each (P.Y. 7,400) <b>Joynest Premises Private Limited</b>	0.74	0.74
<b>c/f</b>	<b>7,651.19</b>	<b>7,653.64</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '12' (Contd.)</b>		
<b>NON CURRENT INVESTMENTS (AT COST) (Contd.)</b>		
<b>(Trade, unless otherwise specified)</b>		
<b>B) Investment in equity instruments (At cost) (Unquoted) (Contd.)</b>		
	<b>b/f</b>	
	<b>7,651.19</b>	7,653.64
t) 9,997 Equity shares of ₹ 10/- each (P.Y. 7,497) <b>Citywood Builders Private Limited</b>	<b>0.99</b>	0.75
u) 50,000 Equity Shares of ₹ 10 /- each (P.Y. 50,000) <b>Vama Housing Limited</b>	<b>5.00</b>	5.00
v) 100,000 Equity Shares of ₹ 10 /- each (P.Y. 100,000) <b>Halitious Developer Limited</b>	<b>600.00</b>	600.00
w) Current year : Nil (P.Y. 50,000) Equity shares of ₹ 10/- each <b>Sheshan Housing and Area Development Engineers Limited</b>	<b>—</b>	5.00
	<b>8,257.18</b>	8,264.39
Less: Provision for diminution in the value of investments (Refer Note a)	<b>10.00</b>	10.00
	<b>8,247.18</b>	8,254.39
<b>II) Jointly Controlled Companies</b>		
a) 50,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 50,000) <b>Hubtown Bus Terminal (Mehsana) Private Limited</b>	<b>5.00</b>	5.00
b) 100,000 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 100,000) <b>Hubtown Bus Terminal (Mehsana) Private Limited</b>	<b>629.00</b>	629.00
c) 50,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 50,000) <b>Hubtown Bus Terminal (Vadodara) Private Limited</b>	<b>5.00</b>	5.00
d) 115,275 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 115,275) <b>Hubtown Bus Terminal (Vadodara) Private Limited</b>	<b>592.29</b>	592.29
e) 50,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 50,000) <b>Hubtown Bus Terminal (Adajan) Private Limited</b>	<b>5.00</b>	5.00
f) 115,463 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 115,463) <b>Hubtown Bus Terminal (Adajan) Private Limited</b>	<b>1,057.49</b>	1,057.49
g) 10,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 10,000) <b>Hubtown Bus Terminal (Ahmedabad) Private Limited</b>	<b>1.00</b>	1.00
h) 15,000 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 15,000) <b>Hubtown Bus Terminal (Ahmedabad) Private Limited</b>	<b>2,132.00</b>	2,132.00
i) 22,859 Ordinary Equity shares of ₹ 10/- each (P.Y. 14,475) <b>Twenty Five South Realty Limited (Formally known as Hoary Realty Limited)</b>	<b>29,208.14</b>	9,508.14
j) 2,837,270 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 2,837,270) <b>Rare Townships Private Limited</b>	<b>7,345.84</b>	7,345.84
k) 425,000 (Class 'B') Equity shares of ₹ 10/- each (P.Y. 425,000) <b>Rare Townships Private Limited</b>	<b>100.00</b>	100.00
l) 25,000 Equity shares of ₹ 100/- each (P.Y. 25,000) <b>Joyous Housing Limited</b>	<b>25.00</b>	25.00
m) 129,000 Equity shares of ₹ 10/- each (P.Y. 129,000) <b>Sunstream City Private Limited</b>	<b>12.90</b>	12.90
	<b>41,118.66</b>	21,418.66



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '12' (Contd.)</b>		
<b>NON CURRENT INVESTMENTS (AT COST) (Contd.)</b>		
<b>(Trade, unless otherwise specified)</b>		
<b>B) Investment in equity instruments (At cost) (Unquoted) (Contd.)</b>		
<b>III) Associate Companies</b>		
a) Current year: Nil (P.Y.8,000) Equity shares of ₹ 10/- each (Refer footnote b) <b>Pristine Developers Private Limited</b>	—	0.80
b) 25,000 Equity shares of ₹ 10/- each (P.Y. 25,000) <b>Whitebud Developers Limited</b>	2.50	2.50
c) Current Year : Nil ( P.Y. 4,350) Equity shares of ₹ 10 /- each <b>Yellowcity Builders Private Limited</b>	—	0.44
d) 5,000 Equity shares of ₹ 10 /- each ( P.Y. 5,000) <b>Shubhsiddhi Builders Private Limited</b>	0.50	0.50
e) 6,095 (Class 'A') Equity shares of ₹ 10 /- each ( P.Y. 6,095) <b>Vinca Developer Private Limited</b>	0.61	0.61
f) Current Year: 7,353 (Class 'B') Equity Shares of ₹ 10 /- each (P.Y. Others) <b>Giraffe Developers Private Limited</b>	5,004.79	—
g) Current year : Nil (P.Y. 450,000) Equity shares of ₹ 10/- each <b>Comral Realty Private Limited</b>	—	45.21
	<b>5008.40</b>	<b>50.06</b>
Less: Provision for diminution in the value of investments	<b>0.61</b>	<b>0.61</b>
	<b>5007.79</b>	<b>49.45</b>
<b>IV) Others</b>		
a) 240 Equity shares of ₹ 100/- each (P.Y. 240) <b>Citygold Management Services Private Limited</b>	0.24	0.24
b) 6,000 (Class 'B') Equity shares of ₹ 50/- each (P.Y. 6,000) <b>Hogmanay Niharika Buildings Limited</b>	3.00	3.00
c) Current Year: Nil (Class 'B') Equity Shares of ₹ 10 /- each (P.Y. 7,353) <b>Giraffe Developers Private Limited</b>	—	5,004.79
d) 37,815 Equity shares of ₹ 10/- each (P.Y. 37,815) <b>Janakalyan Sahakari Bank Limited</b>	3.78	3.78
e) 1 Equity Share of ₹ 10/- (P.Y. 1) <b>E Commerce Magnum Solution Limited</b>	1.00	1.00
	<b>8.02</b>	<b>5,012.81</b>
<b>Total (I+II+III+IV)</b>	<b>54,381.65</b>	<b>34,735.30</b>
<b>C) Investment in Preference Shares (At Cost) (Unquoted)</b>		
a) 20,000 Cumulative convertible preference shares of ₹ 100/- each (P.Y. 20,000) <b>Ackruti Safeguard Systems Private Limited (Subsidiary)</b>	20.00	20.00
b) 1,865, 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each (P.Y. 1,865) <b>Twenty Five South Realty Limited (Jointly controlled) (Formerly known as Hoary Realty Limited)</b>	0.19	0.19
c) 6,671, 21% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each (P.Y. 6,671) <b>E Commerce Magnum Solution Limited</b>	6,671.00	6,671.00
	<b>6,691.19</b>	<b>6,691.19</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '12' (Contd.)</b>		
<b>NON CURRENT INVESTMENTS (AT COST) (Contd.)</b>		
<b>(Trade, unless otherwise specified)</b>		
<b>D) Investment in Debentures (At Cost) (Unquoted)</b>		
a) 31,910,000 9% Optionally convertible debentures of ₹ 10/- each (P.Y. 31,910,000)		
<b>Asmeeta Infratech Limited</b>	<b>3,191.00</b>	3,191.00
b) 1,195,299 Compulsorily convertible debentures of ₹ 100/- each (P.Y. 1,195,299)		
<b>Gujarat Akruti - TCG Biotech Limited (Subsidiary)</b>	<b>1,195.30</b>	1,195.30
c) 768,919 Non - convertible debentures of ₹ 100/- each (P.Y. 768,919)		
<b>Gujarat Akruti - TCG Biotech Limited (Subsidiary)</b>	<b>768.92</b>	768.92
	<b>5,155.22</b>	5,155.22
<b>E) Investment in Mutual Funds (Quoted) (At cost) (Other than Trade)</b>		
<b>Growth Option</b>		
a) Current Year: Nil units of <b>Canara Robeco Dynamic Bond Fund</b> (P.Y. 373,771.464 units) [NAV: ₹ Nil (P.Y. NAV ₹ 5,934,968)]	—	53.00
b) 214,423.564 units of <b>Canara Robeco Medium Term Opportunities Fund — Regular Growth Plan</b> (P.Y. 37,942.441 units) [NAV ₹ 2,604,881/- (P.Y. NAV ₹ 430,408)]	<b>25.00</b>	4.00
c) Current year: Nil <b>ICICI Prudential Short Term Plan — Regular Growth</b> (P.Y. 175,550.703 units)	—	50.00
	<b>25.00</b>	107.00
<b>F) Investments in Bonds (at cost) (Other than trade) (Refer Note c)</b>		
a) <b>Sunstream City Private Limited</b>		
39,13,310 Deep Discount Bonds, issued @ ₹ 2090/- of face value ₹ 10,000 [Tenure of 9 Years]	<b>81,788.18</b>	—
	<b>81,788.18</b>	—
<b>G) Capital Investment in Partnership Firms and Joint Ventures (Refer footnote d)</b>	<b>11,797.10</b>	4,671.30
Less: Provision for diminution in the value of investments	<b>1.60</b>	1.60
	<b>11,795.50</b>	4,669.70
<b>Total (A+B+C+D+E+F+G)</b>	<b>164,201.00</b>	55,681.06
Aggregate amount of quoted investments	<b>25.00</b>	107.00
Aggregate amount of unquoted investments	<b>159,811.74</b>	51,251.41
Aggregate provision for diminution in value of investments (Refer footnote a).	<b>12.21</b>	12.21

**Footnotes:**

- Diminution of ₹ Nil (P.Y. ₹ 10.00 lakhs) has been made for Investments during the year.
- The Company has sold its entire holding in the share capital of Pristine Developers Private Limited, an associate, vide sale deed dated 27th May 2016. Therefore, the said investment has been classified as current investment. (Refer Note 16).
- The Issuer Company is in the process of having the Deep Discount Bonds listed on the Wholesale Debt Market Segment of BSE Limited.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '12' (Contd.)

#### NON CURRENT INVESTMENTS (AT COST) (Contd.)

(Trade, unless otherwise specified)

Footnotes:

d. Details of investments made in the capital of partnership firms and joint ventures :

		Share in profits (%)	
		31 March, 2016	31 March, 2015
<b>A) Partnership firms</b>			
<b>i. M/s. Akruji Jay Developers</b>			
<b>Name of the Partners</b>			
Hubtown Limited	66.66	66.66	
Hazel Erectors Private Limited	33.34	33.34	
<b>Total Capital of the firm (₹ in lakhs)</b>	<b>2,491.50</b>	2,491.50	
<b>ii. M/s. Shreenath Realtors</b>			
<b>Name of the Partners</b>			
Hubtown Limited	92.50	92.50	
Vakratunda Housing Private Limited	7.50	7.50	
<b>Total Capital of the firm (₹ in lakhs)</b>	<b>2,120.54</b>	2,120.54	
<b>iii. M/s. Akruji Kailash Constructions</b>			
<b>Name of the Partners</b>			
Hubtown Limited	90.00	90.00	
Ketan D. Shah	10.00	10.00	
<b>Total Capital of the firm (₹ in lakhs)</b>	<b>0.58</b>	0.58	
<b>iv. M/s. Rising Glory Developers</b>			
<b>Name of the Partners</b>			
Hubtown Limited	20.00	4.78	
Ackruti Safeguard Systems Private Limited	5.34	4.76	
Citygold Education Research Limited	5.34	4.76	
Citygold Farming Private Limited	5.34	4.76	
Diviniti Projects Private Limited	5.34	4.76	
Halitious Developer Limited	5.34	4.76	
Headland Farming Private Limited	5.33	4.76	
Heddle Knowledge Private Limited	5.33	4.76	
Heet Builders Private Limited	5.33	4.77	
Twenty Five South Realty Limited (Formerly known as Hoary Realty Limited)	—	4.76	
Hubtown Bus Terminal (Adajan) Private Limited	—	4.76	
Hubtown Bus Terminal (Ahmedabad) Private Limited	—	4.76	
Hubtown Bus Terminal (Mehsana) Private Limited	—	4.76	
Hubtown Bus Terminal (Surat) Private Limited	—	4.76	
Hubtown Bus Terminal (Vadodara) Private Limited	—	4.76	
Subhsiddhi Builders Private Limited	5.33	—	
Joynest Premises Private Limited	—	4.76	
Sunstream City Private Limited	10.66	4.77	
Upvan Lake Resorts Private Limited	5.33	4.76	
Vega Developers Private Limited	5.33	4.76	
Whitebud Developers Limited	5.33	4.76	
Yantti Buildcon Private Limited	5.33	4.76	
<b>Total Capital of the firm (₹ in lakhs)</b>	<b>1.60</b>	2.10	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '12' (Contd.)

#### NON CURRENT INVESTMENTS (AT COST) (Contd.)

(Trade, unless otherwise specified)

Footnotes:

d. Details of investments made in the capital of partnership firms and joint ventures (Contd.) :

		Share in profits (%)	
		31 March, 2016	31 March, 2015
<b>B)</b>	<b>Joint Ventures</b>		
<b>i.</b>	<b>M/s. Akruti Jay Chandan Joint Venture</b>		
	<b>Name of the Co-Venturers</b>		
	Hubtown Limited	50.00	50.00
	Chandan Shanti Group of Companies	50.00	50.00
	<b>Total Capital of the joint venture (₹ in lakhs)</b>	<b>282.40</b>	282.40
<b>ii.</b>	<b>M/s. Akruti GM Joint Venture</b>		
	<b>Name of the Co-Venturers</b>		
	Hubtown Limited	77.00	50.00
	GM Construction	23.00	50.00
	<b>Total Capital of the joint venture (₹ in lakhs)</b>	<b>910.00</b>	910.00
<b>iii.</b>	<b>M/s. Primeria Joint Venture (Formerly known as Akruti Forefront Joint Venture)</b>		
	<b>Name of the Co-Venturers</b>		
	Hubtown Limited	16.00	16.00
	Forefront Property Developers Private Limited	84.00	84.00
	<b>Total Capital of the joint venture (₹ in lakhs)</b>	<b>10.00</b>	10.00
<b>iv.</b>	<b>M/s. Akruti Realty Forefront Combine (dissolved on 31st March, 2016)</b>		
	<b>Name of the Co-Venturers</b>		
	Hubtown Limited	—	90.00
	Forefront Property Developers Private Limited	—	10.00
	<b>Total Capital of the joint venture (₹ in lakhs)</b>	—	100.00
<b>v.</b>	<b>M/s. Sunstone Developers Joint Venture</b>		
	<b>Name of the Co-Venturers</b>		
	Hubtown Limited	5.00	5.00
	Swapanranjan Infrastructure Private Limited	95.00	95.00
	<b>Total Capital of the joint venture (₹ in lakhs)</b>	<b>100.00</b>	100.00
<b>vi.</b>	<b>M/s. Celeste Joint Venture</b>		
	<b>Name of the Co-Venturers</b>		
	Fourjone Realtors Private Limited	95.00	95.00
	Hubtown Limited	5.00	5.00
	<b>Total Capital of the joint venture (₹ in lakhs)</b>	<b>100.00</b>	100.00
<b>vii.</b>	<b>M/s. Jairaj Developers — Unit 9 (from 18th February 2016)</b>		
	<b>Name of the Co-Venturers</b>		
	Hubtown Limited	19.00	—
	Shri. Jayant Hiralal Shah	31.00	—
	Shri Malav Jayant Shah	31.00	—
	Giraffe Developers Private Limited	19.00	—
	<b>Total Capital of the joint venture (₹ in lakhs)</b>	<b>100.00</b>	—

e. The Company has investments in certain subsidiaries, jointly controlled entities and associates aggregating C.Y. ₹84,562.19 lakhs (P.Y. ₹ 2821.92 lakhs) and loans and advances outstanding aggregating C.Y. ₹24490.82 lakhs (P.Y. ₹ 102,057.21 lakhs) as at March 31, 2016. While such entities have incurred losses and have negative net worth as at the year end, the underlying projects in such entities are at various stages of real estate development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. The Company considers its investments in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities or in respect of loans and advances advanced to such entities, which are considered good and fully recoverable.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '13'

#### DEFERRED TAX ASSETS (NET)

##### Deferred Tax Liability

Fixed Assets : Impact of difference between depreciation as per the Income Tax Act, 1961 and depreciation / amortisation as per the Companies Act, 2013.

##### Gross Deferred Tax Liability

##### Deferred Tax Asset

Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis.

Provision for doubtful debts /advances

##### Gross Deferred Tax Asset

31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
49.76	2.71
<u>49.76</u>	<u>2.71</u>
3,121.16	2,922.20
86.13	83.35
<u>3,207.29</u>	<u>3,005.55</u>
<u>3,157.53</u>	<u>3,002.84</u>
<b>Total</b>	

#### Non-Current

#### Current

### NOTE '14'

#### LOANS AND ADVANCES

Capital Advances (Unsecured, considered good)

— to related parties (Refer note 33)

— to others

Advances to land owners (Unsecured, considered good)

Security deposits (Unsecured, considered good)

Loans and advances (Unsecured, considered good)

— to related parties (Refer note 33)

— to others

Project Advances

— to related parties (Refer note 33)

— to others

Advances recoverable in cash or kind

(Unsecured, considered good)

— to related parties (Refer note 33)

— to others (Refer footnote)

Doubtful

— to related parties (Refer note 33)

— to others

Less: Provision for doubtful advances

Other loans and advances:

Advance Income Tax [Net of provisions ₹ 1742.14 lakhs (P.Y. ₹ 4,319.71 lakhs)]

Prepaid expenses

Unamortised ancillary cost of arranging the borrowings

Loans to employees

**Total**

31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
4,748.00	7,950.00	—	—
1,681.00	1,981.00	—	—
2,211.01	2,604.06	8,047.00	8,048.00
46.43	50.21	156.22	156.22
—	—	8,064.50	6,940.93
—	—	4,349.77	3,619.17
—	—	<u>12,414.27</u>	<u>10,560.10</u>
35,630.92	104,908.49	—	353.84
8,210.28	7,781.10	—	938.62
—	—	1,740.75	2,313.36
6,236.25	26,006.25	6,709.21	1,936.65
9.15	9.15	—	—
248.89	256.89	—	—
(258.05)	(266.04)	—	—
6,236.25	26,006.25	8,449.96	4,250.01
2,327.86	1,496.59	—	—
28.88	30.46	5.19	15.66
—	33.40	33.40	465.85
—	—	1.70	2.58
2,356.74	1,560.45	40.29	484.09
<u>61,120.63</u>	<u>152,841.56</u>	<u>29,107.74</u>	<u>24,790.88</u>

Footnote:

Advances to others includes ₹ 1,000 lakhs (P.Y. ₹ Nil) deposited with the Hon'ble Sessions Court, Mumbai and the Company tendered an undertaking to the Hon'ble Sessions Court to deposit an aggregate sum of ₹ 5,900 lakhs in 12 monthly instalments beginning with February 2016 in connection with a commercial transaction with an erstwhile associate company.

# HUBTOWN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	Non Current		Current	
	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '15'</b>				
<b>OTHER ASSETS</b>				
Non current bank balances (Refer note 19)	399.69	809.01	—	—
Unbilled revenue	—	—	4,707.58	4,422.41
Other receivables (other than trade)	—	6,000.00	2,691.55	1,667.77
Others :				
— Interest accrued on fixed deposits	28.88	19.88	10.11	52.10
— Interest accrued on investments (Refer footnote)	264.84	—	1,098.64	840.18
<b>Total</b>	<b>693.41</b>	<b>6,828.89</b>	<b>8,507.88</b>	<b>6,982.46</b>

Footnote:

Interest accrued on Investments includes ₹ 264.84 lakhs (P.Y. ₹ Nil lakhs) due from related parties. Further, attention is invited to Note 33.

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '16'</b>		
<b>CURRENT INVESTMENTS (UNQUOTED)</b>		
(Trade, unless otherwise specified)		
8,000 Equity shares of ₹ 10/- each (P.Y. Nil) [Refer Note 12 (footnote b)]		
<b>Pristine Developers Private Limited</b>	0.80	—
Capital Investment in Partnership Firms and Joint Ventures (Refer footnotes)	28.79	165.33
Current Investment in Partnership Firms and Joint Ventures	12,151.17	18,836.21
<b>Total</b>	<b>12,180.76</b>	<b>19,001.54</b>

Footnotes:

	Share in profits (%)	
	31 March, 2016	31 March, 2015
<b>a. M/s. Akruti Steelfab Corporation</b>		
<b>Name of the Partners</b>		
Hubtown Limited	55.00	55.00
Steelfab Turnkey Projects Limited	45.00	45.00
<b>Total Capital of the firm (₹ in lakhs)</b>	<b>100.00</b>	<b>54.74</b>
<b>b. M/s. Hiranandani Akruti Joint Venture</b>		
<b>Name of the Co-Venturers (Dissolved on 01st April, 2015)</b>		
Hubtown Limited	—	55.00
Surendra Hiranandani	—	22.50
Niranjan Hiranandani	—	22.50
<b>Total Capital of the firm (₹ in lakhs)</b>	<b>100.00</b>	<b>383.90</b>

# HUBTOWN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '17'</b>		
<b>INVENTORIES</b>		
(Valued at lower of cost or net realisable value)		
Stock of material at site	67.58	348.24
Incomplete projects (Refer footnote a)	96,132.05	82,704.42
Floor space index (FSI)	240.30	364.29
<b>Total</b>	<b>96,439.93</b>	<b>83,416.95</b>
Footnotes:		
a. Incomplete Projects include ₹ 700.27 lakhs (P.Y. ₹ NIL lakhs) on account of dissolution of a joint venture.		
b. The projects are under various stages of development and are expected to have net realisable value greater than the cost.		
<b>NOTE '18'</b>		
<b>TRADE RECEIVABLES</b>		
Trade receivables (Unsecured considered good) (Refer footnote)		
Outstanding for a period exceeding six months from the date they are due for payment	6,871.56	3,823.07
Other trade receivables	10,990.90	7,273.10
<b>Total</b>	<b>17,862.46</b>	<b>11,096.17</b>

Footnote:

Trade receivables includes ₹ 14,390.95 lakhs (P.Y. ₹ 6,046.86 lakhs) due from related parties. Further, attention is invited to Note 33.

	Non Current		Current	
	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '19'</b>				
<b>CASH AND BANK BALANCES</b>				
Cash and cash equivalents:				
Cash on hand			37.40	20.87
Cheques / Drafts on hand				
Balances with banks:				
— in current accounts			546.78	1,729.23
— in deposits with maturity of less than three months			115.98	66.27
			—	—
			700.16	1,816.37
Other Bank Balances:				
Unpaid dividend accounts			3.92	4.89
Deposits with maturity of more than three months but less than twelve months			24.50	25.06
Deposits with maturity of more than twelve months (Refer footnote)	0.16	—	—	—
Margin money deposits (Refer footnote)	399.53	809.01	220.32	1,194.25
	399.69	809.01	248.74	1,224.20
Amount disclosed under "Other Non—Current Assets" (Refer note 15)	(399.69)	(809.01)		
<b>Total</b>	<b>—</b>	<b>—</b>	<b>948.90</b>	<b>3,040.57</b>

Footnote:

Balances with bank in margin money and fixed deposits are kept as security for guarantees / other facilities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '20'</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale from operations :		
Sale of properties / rights (Net) (Refer footnotes a & b)	31,059.11	39,141.10
Profit on Sale of Investments in Subsidiaries, JVs, etc. developing Real Estate Projects (Net)	2,879.93	1,375.72
	<b>33,939.04</b>	40,516.82
Other operating revenue :		
Income on investments in subsidiaries, Joint ventures, etc. developing real estate projects (Refer footnote c)	264.84	681.32
Lease rentals	298.19	316.63
Sundry credit balances appropriated	546.89	4.54
Others	65.23	79.42
	<b>1,175.15</b>	1,081.91
<b>Total</b>	<b>35,114.19</b>	41,598.73
Footnotes:		
a. Sale of Properties/Rights includes ₹ 11676.86 lakhs (P.Y. ₹ 24004.00 lakhs) from related parties.		
b. Sale of Properties includes ₹ 2433.00 lakhs (P.Y. ₹ 18,712.45 lakhs) on account of reversal of revenue recognised in earlier years.		
c. Includes premium, discount and interest on investments made in debentures & bonds and loans and advances made.		
<b>NOTE '21'</b>		
<b>OTHER INCOME</b>		
Interest:		
— Debentures	287.19	854.05
— Loans	869.28	722.02
— Bank fixed deposits	122.56	206.34
— Others	33.10	84.48
	<b>1,312.13</b>	1,866.89
Surplus on sale / discardment of fixed assets (Net)	1.44	8.74
Gain on sale of investments	15.01	2.27
Gain on foreign currency fluctuation (Net)	—	3.66
Provision for doubtful debts written back	8.00	685.04
Liabilities written back to the extent no longer required	1,256.42	1,498.03
Miscellaneous income	587.11	149.33
	<b>1,867.98</b>	2,347.07
<b>Total</b>	<b>3,180.11</b>	4,213.96



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '22'</b>		
<b>COSTS OF CONSTRUCTION / DEVELOPMENT</b>		
Construction costs incurred during the year:		
Land / rights acquired	1,707.94	397.25
Material and labour costs	7,550.27	6,264.25
Approval and consultation expenses	2,621.84	1,345.75
Other direct development expenses	2,096.30	1,412.41
<b>Total</b>	<b>13,976.35</b>	<b>9,419.66</b>
<b>NOTE '23'</b>		
<b>CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI</b>		
<b>Opening Inventory :</b>		
Floor Space Index (FSI)	364.29	646.09
Incomplete projects	82,704.42	75,259.04
	<b>83,068.71</b>	75,905.13
Add / (Less):		
Written down value of finished property transferred from investment property sold during the year [Refer note 2 (VI) (C)]	—	642.01
Project expenses written off	—	(676.98)
	<b>83,068.71</b>	75,870.16
<b>Closing Inventory :</b>		
Floor Space Index (FSI)	240.30	364.29
Incomplete projects	95,431.78	82,704.42
	<b>95,672.08</b>	83,068.71
<b>Total</b>	<b>(12,603.37)</b>	<b>(7,198.55)</b>
<b>NOTE '24'</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
[Net of amounts recovered from other entities ₹ 763.03 lakhs (P.Y. ₹ 730.34 lakhs)]		
Salaries, bonus, etc.	1,677.86	1,510.30
Contribution to provident and other funds	84.78	133.57
Staff welfare expenses	41.92	52.44
Other fund expenses	6.49	6.27
<b>Total</b>	<b>1,811.05</b>	<b>1,702.58</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '25'</b>		
<b>FINANCE COSTS</b>		
Interest:		
— Debentures	1,898.21	3,170.08
— Fixed loans	24,941.28	24,723.13
— Others	1,507.04	1,630.03
	<b>28,346.53</b>	29,523.24
Other borrowing costs	517.50	1,233.84
Delayed/penal interest on loans and statutory dues	1,176.91	1,501.84
<b>Total</b>	<b>30,040.94</b>	<b>32,258.92</b>
Footnote:		
In line with Accounting Standard AS-16 'Borrowing Costs' issued by The Institute of Chartered Accountants of India, borrowing costs of ₹ 7,884.68 lakhs (P.Y. ₹ 4,499.51 lakhs) have been capitalised to inventory.		
<b>NOTE '26'</b>		
<b>DEPRECIATION AND AMORTISATION</b>		
Depreciation on tangible fixed assets	156.75	184.91
Amortization of intangible assets	0.20	70.37
Depreciation on investment properties	144.17	147.68
<b>Total</b>	<b>301.12</b>	<b>402.96</b>
<b>NOTE '27'</b>		
<b>OTHER EXPENSES</b>		
[Net of amount recovered from other entities ₹ 295.42 lakhs ;(P.Y. ₹ 348.82 lakhs)]		
Insurance	68.10	75.46
Rent	43.47	36.56
Rates and taxes (Refer footnote a)	1,231.96	1,920.26
Advertisement expenses	207.06	341.73
Advances and other debit balances written off	23.01	1,685.50
Bad debts	49.67	0.28
Donations (Refer footnote b)	—	138.73
Corporate Social Responsibility (CSR) activities (Refer footnote c)	45.71	100.00
Brokerage	312.85	334.50
Directors' fees and travelling expenses	25.59	20.58
Commission to non-executive directors	17.68	22.51
Provision for doubtful advances	—	9.15
Provision for diminution in value of investments	—	10.00
Repairs and society maintenance charges	309.34	292.68
Legal and professional fees	546.79	415.64
Prospective projects written off	—	676.98
Loss on foreign currency fluctuation (Net)	1.02	—
Other expenses (Refer footnote d)	939.41	1,143.29
<b>Total</b>	<b>3,821.66</b>	<b>7,223.83</b>
Footnotes:		
a.	Rates and taxes of 2014—15 includes property tax of earlier years, which were in dispute.	
b.	No donations have been given to political parties.	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '27' (Contd.)

#### OTHER EXPENSES (Contd.)

Footnotes: (Contd.)

- c. The Company has issued a cheque for Corporate Social Responsibility (CSR) activities which is subject to realisation.  
d. Auditors' Remuneration (included in Legal and professional fees and Other expenses):

	<b>31 March, 2016</b> (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
Audit fees	53.00	53.00
Limited review fees	9.61	8.78
Tax audit fees	4.00	1.00
Certification and other matters	—	1.10
Out-of-pocket expenses	1.72	3.16
Service tax on above	8.26	7.90
<b>Total</b>	<b>76.59</b>	<b>74.94</b>

### NOTE '28'

#### PRIOR PERIOD ADJUSTMENTS (NET)

Debits relating to earlier years:

Finance costs	(67.60)	(52.14)
Land Cost	—	(166.76)
Other expenses	(3.05)	(2.86)
Credits relating to earlier years:		
Interest Income	20.18	0.64
Other Income	18.76	—
<b>Total</b>	<b>(31.71)</b>	<b>(221.12)</b>

### NOTE '29'

#### EARNINGS PER SHARE (EPS)

	<b>31 March, 2016</b> (₹ in lakhs)/ (Nos.)	31 March, 2015 (₹ in lakhs)/ (Nos.)
Net Profit as per Statement of Profit and Loss available for Equity Shareholders before extraordinary items (₹)	2,130.05	724.51
Net Profit as per Statement of Profit and Loss available for Equity Shareholders after extraordinary items (₹)	2,130.05	1,074.51
Weighted average number of equity shares outstanding during the year (Nos.)	72,735,871	72,735,871
Earning per equity share (Nominal value per share ₹ 10/- each) (in ₹)		
Earnings before extraordinary item:		
Basic and diluted	2.93	1.00
Earnings after extraordinary item (net of tax expense):		
Basic and diluted	2.93	1.48

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '30'</b>		
<b>VALUE OF PAYMENTS MADE IN FOREIGN EXCHANGE</b>		
<b>Expenditure in foreign currency:</b>		
Travelling expenses	6.65	1.98
Cost of Construction	118.18	84.08
Membership and subscription	—	52.50
Advertisement expenses	9.17	—
Software expenses	—	0.51
<b>NOTE '31'</b>		
<b>LEASE RENTAL INCOME IN RESPECT OF PREMISES GIVEN UNDER OPERATING LEASE</b>		
Operating lease obligations: The Company had given office and other facilities under non-cancellable operating leases for a period of thirty six months, which were renewable on a periodic basis with escalation ranging between 10% - 15% as per the terms of agreement.		
Lease rentals receivables:		
Not later than one year	143.67	130.11
Later than one year but not later than five years	86.95	50.59
Later than five years	—	—
<b>NOTE '32'</b>		
<b>CONTINGENT LIABILITIES AND COMMITMENTS (NOT PROVIDED FOR) :</b>		
(i) (A) Claims against the Company not acknowledged as debts on account of :		
1) Income tax and MVAT matters under appeal	2,889.42	654.41
2) TDS liability on account of short deduction, short payment and interest thereon as per TRACES	253.17	411.42
3) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax)	256.45	—
4) Towards pending legal cases	72,341.84	68,909.50
(B) On account of corporate guarantees issued by the Company to bankers and others on behalf of other companies and joint ventures for facilities availed by them (amount outstanding thereagainst.)	90,099.69	47,280.82
(ii) Other commitments :		
(a) Bank Guarantees against own projects	1,085.00	1,085.00
(b) Bank Guarantees given on behalf of subsidiaries, Joint ventures, towards various projects	2,693.02	4,342.54
(c) Towards amounts to be deposited against undertaking given to the Hon'ble Sessions Court (Net of Advance ₹ 1000 Lakhs)	4,900.00	—

**Footnotes:**

- Interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice are not sustainable.
- Contingent liabilities including corporate guarantees issued by the Company and relied upon by the Auditors.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33'

#### RELATED PARTIES DISCLOSURES

##### A. Names of related parties and description of relationship

###### I. Subsidiaries

- 1 Citygold Education Research Limited
- 2 Devkrupa Build Tech Limited
- 3 Gujarat Akruti-TCG Biotech Limited
- 4 Halitious Developer Limited
- 5 Sheshan Housing And Area Development Engineers Limited (Upto April 1, 2015)
- 6 Urvi Build Tech Limited
- 7 Vama Housing Limited
- 8 Vishal Techno Commerce Limited
- 9 ABP Realty Advisors Private Limited
- 10 Ackruti Safeguard Systems Private Limited
- 11 Citywood Builders Private Limited
- 12 Citygold Farming Private Limited
- 13 Diviniti Projects Private Limited
- 14 Headland Farming Private Limited
- 15 Heddle Knowledge Private Limited
- 16 Heet Builders Private Limited
- 17 India Development And Construction Venture Capital Private Limited
- 18 Joynest Premises Private Limited
- 19 Upvan Lake Resorts Private Limited
- 20 Vega Developers Private Limited
- 21 Yantti Buildcon Private Limited

###### II. Associates

- 1 Whitebud Developers Limited
- 2 Comral Realty Private Limited (Upto April 18, 2015)
- 3 Pristine Developers Private Limited
- 4 Shubhsiddhi Builders Private Limited
- 5 Vinca Developer Private Limited
- 6 Yellowcity Builders Private Limited (Upto March 21, 2016)
- 7 Giraffe Developers Private Limited

###### III. Jointly controlled entities

- 1 Joyous Housing Limited
- 2 Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)
- 3 Hubtown Bus Terminal (Mehsana) Private Limited
- 4 Hubtown Bus Terminal (Vadodara) Private Limited
- 5 Hubtown Bus Terminal (Adajan) Private Limited
- 6 Hubtown Bus Terminal (Ahmedabad) Private Limited
- 7 Hubtown Bus Terminal (Surat) Private Limited
- 8 Rare Townships Private Limited
- 9 Sunstream City Private Limited
- 10 Akruti Jay Chandan Joint Venture
- 11 Akruti GM Joint Venture
- 12 Akruti Realty Forefront Combine (Upto March 31, 2016)
- 13 Akruti Jay Developers

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### A. Names of related parties and description of relationship (Contd.)

- 14 Shreenath Realtors
- 15 Akruiti Kailash Constructions
- 16 Rising Glory Developers
- 17 Hiranandani Akruiti JV (Upto April 01, 2015)
- 18 Akruiti Steelfab Corporation
- 19 New Township Fintrade JV
- 20 Town Planning Fintrade JV
- 21 Hinterland Fintrade JV
- 22 Rukshmani Properties Private Limited (Upto July 07, 2015)

#### IV. Key management personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director

#### V. Relatives of key management personnel

- 1 Mrs. Lata M. Shah, Mother of Executive Chairman and Managing Director
- 2 Mrs. Kunjal H. Shah, Wife of Executive Chairman
- 3 Mrs. Falguni V. Shah, Wife of Managing Director
- 4 Mr. Rushank V. Shah, Son of Managing Director
- 5 Mr. Khilen V. Shah, Son of Managing Director
- 6 Mr. Kushal H. Shah, Son of Executive Chairman
- 7 Mrs. Nutan Dhanki, Sister of Executive Chairman and Managing Director
- 8 Mrs. Hemanti Parekh, Sister of Executive Chairman and Managing Director
- 9 Hemant M. Shah HUF- Karta Executive Chairman
- 10 Vyomesh M. Shah HUF- Karta Managing Director
- 11 Mahipatray V. Shah HUF- Karta Executive Chairman
- 12 Mahipatray V. Shah Discretionary Trust- Trustees Executive Chairman and Managing Director
- 13 Estate of Mahipatray V Shah – Beneficiaries Executive Chairman and Managing Director

#### VI. Enterprises where key management personnel or their relatives exercise significant influence

(Where transactions have taken place)

- 1 Adhivitiya Properties Limited
- 2 Helik Advisory Limited
- 3 Sheshan Housing And Area Development Engineers Limited (From April 1, 2015)
- 4 Vishal Nirman (India) Limited
- 5 Buildbyte. Com. (India) Private Limited
- 6 Celeste Joint Venture
- 7 Citygold Management Services Private Limited
- 8 Distinctive Realty Private Limited
- 9 Fern Infrastructure Private Limited
- 10 Fourjone Realtors Private Limited
- 11 Heeler Hospitality Private Limited
- 12 Ichha Constructions Private Limited
- 13 Lista City Private Limited
- 14 Merrygold Buildcon Private Limited
- 15 Starzone Developers Private Limited
- 16 Sunmist Builders Private Limited
- 17 Sunstone Devlopers Joint Venture
- 18 Superaction Realty Private Limited
- 19 Trans Gulf MEP Engineers Private Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### B. Transactions with Related Parties

(₹ in lakhs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>i.</b>	<b>Loans and Advances received/ recovered/ adjusted</b>				
	Heddle Knowledge Private Limited	— (14,472.15)	— (—)	— (—)	— (—)
	Heet Builders Private Limited	265.84 (2,923.86)	— (—)	— (—)	— (—)
	Fern Infrastructure Private Limited	— (—)	— (—)	— (—)	547.05 (—)
	Sunstream City Private Limited	— (—)	— (—)	— (77,046.68)	— (—)
	Others	65.00 (2,964.70)	77.96 (906.79)	— (—)	— (353.84)
<b>ii.</b>	<b>Loans and Advances given/ repaid/adjusted</b>				
	Fern Infrastructure Private Limited	— (—)	— (—)	— (—)	827.50 (—)
	Sunstream City Private Limited	— (—)	— (—)	— (1,694.43)	— (—)
	Heet Builders Private Limited	816.86 (3,183.02)	— (—)	— (—)	— (—)
	Heddle Knowledge Private Limited	— (14,472.15)	— (—)	— (—)	— (—)
	Others	25.40 (4,760.67)	— (37.74)	— (—)	46.91 (62.73)
<b>iii.</b>	<b>Business Advances received / recovered / adjusted</b>				
	Sunstream City Private Limited	— (—)	— (—)	82,955.02 (—)	— (—)
	Citygold Education Research Limited	55.00 (215.79)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	1,085.00 (3,487.00)	— (—)
	Comral Realty Private Limited	— (—)	14.87 (5,471.54)	— (—)	— (—)
	Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)	— (—)	— (—)	3,065.14 (7,167.29)	— (—)
	Heddle Knowledge Private Limited	846.18 (1,975.85)	— (—)	— (—)	— (—)
	Others	10,154.02 (2,549.28)	550.00 (7.50)	1,186.13 (3,789.97)	4,878.00 (10.00)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>iv.</b>	<b>Business Advances given / repaid / adjusted</b>				
	Citywood Builders Private Limited	823.75 (184.45)	— (184.60)	— (—)	— (—)
	Comral Realty Private Limited	— (—)	4.00 (1,550.10)	— (—)	— (—)
	Yantti Buildcon Private Limited	46.50 (95.35)	— (—)	— (—)	— (—)
	Sunstream City Private Limited	— (—)	— (—)	818.24 (82,338.78)	— (—)
	Citygold Education Research Limited	3,809.70 (132.34)	— (—)	— (—)	— (—)
	Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)	— (—)	— (—)	3,907.50 (7,478.97)	— (—)
	Joynest Premises Private Limited	13,022.60 (31.50)	— (—)	— (—)	— (—)
	Celeste Joint Venture	— (—)	— (—)	— (—)	5,106.00 (—)
	Others	504.85 (5,562.77)	1.20 (1,755.02)	4,493.84 (7,045.23)	2,130.58 (375.83)
<b>v.</b>	<b>Interest income on loans/Debenture</b>				
	Sunstream City Private Limited	— (—)	— (—)	84.92 (—)	— (—)
	Comral Realty Private Limited	— (—)	— (607.00)	— (—)	— (—)
	Fern Infrastructure Private Limited	— (—)	— (—)	— (—)	313.51 (—)
	Gujrat Akruiti-TCG Biotech Limited	179.93 (—)	— (—)	— (—)	— (—)
	Others	— (—)	4.52 (12.71)	18.78 (16.66)	— (30.44)
<b>vi.</b>	<b>Interest expense</b>				
	Heet Builders Private Limited	— (1,085.96)	— (—)	— (—)	— (—)
	Heddle Knowledge Private Limited	— (1,551.79)	— (—)	— (—)	— (—)
	Others	— (—)	— (—)	— (—)	— (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>vii.</b>	<b>Deposits repaid / pre-matured</b>				
	Hemant M. Shah (HUF)	— (—)	— (—)	— (—)	— (68.92)
	Mahipatray V. Shah HUF	— (—)	— (—)	— (—)	— (96.00)
	Mahipatray V. Shah Discretionary Trust	— (—)	— (—)	— (—)	— (80.50)
	Nutan Dhanki	— (—)	— (—)	— (—)	— (70.00)
	Others	— (—)	— (—)	— (—)	— (372.48)
<b>viii.</b>	<b>Directors' Remuneration</b>				
	Hemant M. Shah	— (—)	— (—)	— (—)	87.70 (85.98)
	Vyomesh M. Shah	— (—)	— (—)	— (—)	77.31 (77.31)
	<b>Remuneration to Relatives of KMPs</b>				
	Rushank Shah	— (—)	— (—)	— (—)	27.03 (27.03)
	Khilen Shah	— (—)	— (—)	— (—)	27.03 (27.03)
<b>ix.</b>	<b>Investments (Including Debentures) made</b>				
	Akruti Jay Developers	— (—)	— (—)	663.25 (2,065.00)	— (—)
	Shreenath Realtors	— (—)	— (—)	— (28.00)	— (—)
	Akruti GM JV	— (—)	— (—)	503.00 (415.50)	— (—)
	Sole Builders	— (—)	— (—)	— (21.75)	— (—)
	Rising Glory Developers	— (—)	— (—)	6,024.00 (1,849.00)	— (—)
	Gujarat Akruti-TCG Biotech Limited	— (1,964.22)	— (—)	— (—)	— (—)
	Sunstream City Private Limited	— (—)	— (—)	81,788.18 (—)	— (—)
	Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)	— (—)	— (—)	19,700.00 (—)	— (—)
	Others	0.25 (—)	— (—)	4,559.08 (969.93)	1,044.00 (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>x.</b>	<b>Investments transferred/ withdrawn</b>				
	Akruti Jay Developers	— (—)	— (—)	1,050.45 (5,186.28)	— (—)
	Akruti Kailash Constructions	— (—)	— (—)	6,073.71 (3,979.35)	— (—)
	Gulati Estate Joint Venture	— (—)	— (—)	— (10,592.12)	— (—)
	Rising Glory Developers	— (—)	— (—)	7,795.55 (248.00)	— (—)
	Hiranandani Akruti JV	— (—)	— (—)	2,847.98 (—)	— (—)
	Others	7.45 (—)	45.65 (—)	1,284.62 (1,486.91)	1,139.50 (—)
<b>xi.</b>	<b>Advance against share application adjusted/refunded</b>				
	Gujarat Akruti—TCG Biotech Limited	— (1,950.24)	— (—)	— (—)	— (—)
	Shubhsiddhi Builders Private Limited	— (—)	— (742.65)	— (—)	— (—)
	Others	— (—)	— (110.45)	— (—)	— (—)
<b>xii.</b>	<b>Services received/availed</b>				
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	689.05 (564.87)
	Others	— (—)	— (—)	— (—)	0.73 (1.46)
<b>xiii.</b>	<b>Sale of properties/rights</b>				
	Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)	— (—)	— (—)	3,224.00 (24,004.00)	— (—)
	Sunstream City Private Limited	— (—)	— (—)	8,452.86 (—)	— (—)
<b>xiv.</b>	<b>On behalf payments made ( Including reimbursement of expenses)</b>				
	Akruti SMC JV	— (—)	— (—)	— (97.81)	— (—)
	Heet Builders Private Limited	137.19 (32.38)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	308.24 (336.79)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	82.57 (134.85)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	182.99 (202.09)	— (—)
	Joynest Premises Private Limited	178.83 (243.00)	— (—)	— (—)	— (—)
	Shreenath Realtors	— (—)	— (—)	5.84 (—)	— (—)
	Others	14.23 (32.34)	— (10.28)	169.91 (120.94)	4.00 (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>xv.</b>	<b>On behalf payments received/adjusted</b>				
	Akruti Jay Developers	—	—	—	—
		(—)	(—)	(40.74)	(—)
	Hubtown Bus Terminal (Adajan) Private Limited	—	—	15.00	—
		(—)	(—)	(8.00)	(—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	—	—	241.72	—
		(—)	(—)	(402.75)	(—)
	Hubtown Bus Terminal (Mehsana) Private Limited	—	—	406.00	—
		(—)	(—)	(—)	(—)
	Joynest Premises Private Limited	311.16	—	—	—
		(419.28)	(—)	(—)	(—)
	Akruti Kailash Constructions	—	—	255.66	—
		(—)	(—)	(434.00)	(—)
	Akruti SMC JV	—	—	—	—
		(—)	(—)	(295.70)	(—)
	Akruti Realty Forefront Combine	—	—	177.92	—
		(—)	(—)	(—)	(—)
	Others	48.98	66.32	123.69	—
		(0.10)	(57.74)	(41.53)	(—)
<b>xvi.</b>	<b>Advance given towards purchase of unit</b>				
	Fern Infrastructure Private Limited	—	—	—	544.00
		(—)	(—)	(—)	(—)
<b>xvii.</b>	<b>Cost of Construction</b>				
	Akruti Jay Developers	—	—	12.97	—
		(—)	(—)	(—)	(—)
<b>xviii.</b>	<b>Share of profit from Partnerships/Joint Ventures</b>				
	Akruti Jay Chandan JV	—	—	7.28	—
		(—)	(—)	(65.79)	(—)
	Akruti Jay Developers	—	—	755.04	—
		(—)	(—)	(—)	(—)
<b>xix.</b>	<b>Share of loss from Partnerships/Joint Ventures</b>				
	Akruti Realty Forefront Combine	—	—	0.09	—
		(—)	(—)	(0.91)	(—)
	Hiranandani Akruti JV	—	—	—	—
		(—)	(—)	(4.65)	(—)
	Akruti Steelfab Corporation	—	—	0.14	—
		(—)	(—)	(0.09)	(—)
	Shreenath Realtors	—	—	2.69	—
		(—)	(—)	(1.40)	(—)
	Sole Builders	—	—	—	—
		(—)	(—)	(1.63)	(—)
	Akruti Kailash Constructions	—	—	38.54	—
		(—)	(—)	(9.91)	(—)
	Gulati Estate JV	—	—	—	—
		(—)	(—)	(0.22)	(—)
	Akruti Jay Developers	—	—	—	—
		(—)	(—)	(400.94)	(—)
	Akruti GM JV	—	—	4.64	—
		(—)	(—)	(9.19)	(—)
	Rising Glory Developers	—	—	0.02	—
		(—)	(—)	(—)	(—)
	Sunstone Developers	—	—	—	0.02
		(—)	(—)	(—)	(—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>xx.</b>	<b>Corporate guarantees given for loans availed by others</b>				
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	— (3,020.96)	— (—)
	Sunstream City Private Limited	— (—)	— (—)	3,859.78 (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	1,110.53 (—)	— (—)
	Diviniti Projects Private Limited	5,115.00 (—)	— (—)	— (—)	— (—)
	Heet Builders Private Limited	— (4,622.00)	— (—)	— (—)	— (—)
	Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)	— (—)	— (—)	37,425.28 (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	— (98.24)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	618.40 (964.55)	— (—)
	Heddle Knowledge Private Limited	— (15,300.00)	— (—)	— (—)	— (—)
	Rare Townships Private Limited	— (—)	— (—)	5,200.00 (—)	— (—)
<b>xxi.</b>	<b>Corporate guarantees vacated for loans availed by others</b>				
	Pristine Developers Private Limited	— (—)	2,425.26 (2,302.05)	— (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	— (150.64)	— (—)
	Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)	— (—)	— (—)	— (12,283.86)	— (—)
	Joynest Premises Private Limited	— (6,797.00)	— (—)	— (—)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	— (395.20)	— (—)
	Akruti SMC JV	— (—)	— (—)	— (2,084.38)	— (—)
	Heddle Knowledge Private Limited	— (15,300.00)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	190.90 (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	1,672.91 (—)	— (—)
	Heet Builders Private Limited	11,626.06 (—)	— (—)	— (—)	— (—)
	Fern Infrastructure Private Limited	— (—)	— (—)	— (—)	2,944.73 (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

# HUBTOWN

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises §
<b>xxii.</b>	<b>Bank Guarantees vacated for loans availed by others</b>				
	Citywood Builders Private Limited	22.00 (—)	— (—)	— (—)	— (—)
	Ackruti Safeguard Systems Private Limited	100.00 (—)	— (—)	— (—)	— (—)
	Yantti Buildcon Private Limited	1,527.52 (—)	— (—)	— (—)	— (—)
	<b>Balances outstanding</b>				
<b>xxiii.</b>	<b>Payables*</b>				
	Vinca Developer Private Limited	— (—)	1,061.00 (1,061.00)	— (—)	— (—)
	Heet Builders Private Limited	4,386.38 (4,933.90)	— (—)	— (—)	— (—)
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	247.75 (1,052.03)
	Others	— (—)	— (—)	639.42 (—)	615.07 (284.15)
<b>xxiv.</b>	<b>Receivables*</b>				
	Sunstream City Private Limited	— (—)	— (—)	8,467.45 (82,138.78)	— (—)
	Joynest Premises Private Limited	8,045.02 (—)	— (—)	— (—)	— (—)
	Fern Infrastructure Private Limited	— (—)	— (—)	— (—)	6,535.83 (—)
	Others	23,361.50 (24,496.60)	1,876.41 (2,538.29)	6,063.82 (3,168.58)	10,184.93 (8,234.95)
<b>xxv.</b>	<b>Corporate guarantees given for loans availed by others (Amount outstanding thereagainst)</b>				
	Pristine Developers Private Limited	— (—)	— (2,425.26)	— (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	4,101.96 (4,292.85)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	4,991.51 (3,880.98)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	3,792.61 (3,174.20)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	10,080.31 (11,753.22)	— (—)
	Heet Builders Private Limited	2,473.94 (14,100.00)	— (—)	— (—)	— (—)
	Sunstream City Private Limited	— (—)	— (—)	3,859.78 (—)	— (—)

Footnote:

§ Enterprises where Key Management Personnel or their relatives exercise significant influence.

\* Including balances relating to transactions entered into when these were not related.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '33' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
	Citywood Builders Private Limited	2,870.10 (—)	— (—)	— (—)	— (—)
	Diviniti Projects Private Limited	5,115.00 (—)	— (—)	— (—)	— (—)
	Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)	— (—)	— (—)	37,425.28 (—)	— (—)
	Rare Townships Private Limited	— (—)	— (—)	5,200.00 (—)	— (—)
	Fern Infrastructure Private Limited	— (—)	— (—)	— (—)	4,549.28 (—)
<b>xxvi.</b>	<b>Bank guarantees given on behalf of related parties</b>				
	Citywood Builders Private Limited	10.00 (32.00)	— (—)	— (—)	— (—)
	Joynest Premises Private Limited	690.00 (690.00)	— (—)	— (—)	— (—)
	Sunstream City Private Limited	— (—)	— (—)	10.00 (10.00)	— (—)
	Ackruti Safeguard Systems Private Limited	150.00 (250.00)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	368.83 (368.83)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	332.13 (332.13)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	839.76 (839.76)	— (—)
	Yantti Buildcon Private Limited	— (1,527.52)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	282.30 (282.30)	— (—)
	Shreenath Realtors Private Limited	— (—)	— (—)	10.00 (10.00)	— (—)
<b>xxvii.</b>	<b>Personal Guarantee of Directors</b>				
	Banks	— (—)	— (—)	— (—)	53,485.99 (55,592.10)
	Debenture Trustees	— (—)	— (—)	— (—)	5,884.08 (9,343.59)
	Financial Institution	— (—)	— (—)	— (—)	4,950.00 (5,040.63)
<b>xxviii.</b>	<b>Guarantees / Securities given by way of shares in the Company pledged against loans availed by the Company</b>	— (—)	— (—)	— (—)	50,031.40 (49,626.78)

#### Footnotes:

- Previous year figures are given in brackets.
- Related party relationships are identified by the Company and relied upon by the auditors.
- \$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '34'

#### DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### A. Loans and Advances

Sr. No.	Name of the Loanee	31st March, 2016		31st March, 2016	
		Balance at the end (₹ in lakhs)	Maximum balance during the year (₹ in lakhs)	Shares held by loanee in the Company	
				No. of shares outstanding at the year end	Maximum No. of shares held during the year
I.	<b>Subsidiaries (Refer footnote a)</b>				
1.	Halitious Developer Limited	103.00 (103.00)	103.00 (103.00)	— (—)	— (—)
2.	Vama Housing Limited	437.70 (437.10)	437.70 (449.10)	— (—)	— (—)
3.	Devkrupa Build Tech Private Limited	566.65 (563.65)	566.65 (563.65)	— (—)	— (—)
4.	Diviniti Projects Private Limited	21.66 (14.80)	21.66 (14.80)	— (—)	— (—)
5.	Vishal Techno Commerce Limited	3,057.49 (3,048.79)	3,057.49 (3,048.79)	— (—)	— (—)
6.	Urvi Build Tech Limited	1,157.04 (1,213.79)	1,213.79 (1,213.79)	— (—)	— (—)
7.	Sheshan Housing and Area Development Engineers Limited	— (2.00)	2.00 (2.00)	— (—)	— (—)
II.	<b>Associate</b>				
	Pristine Developers Private Limited	4.06 (77.96)	77.96 (77.96)	— (—)	— (—)
III.	<b>Jointly Controlled Entity</b>				
	Joyous Housing Limited	899.88 (882.97)	899.88 (882.97)	— (—)	— (—)

#### Footnotes:

- Interest free loans have been given to wholly owned subsidiaries.
- Above loans are repayable on demand.
- Previous year figures are given in brackets.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '34' (Contd.)

#### DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (Contd.)

#### B. Project Advances (Refer footnote a)

Sr. No.	Name of the Loanee	31st March, 2016		31st March, 2016	
		Balance at the end (₹ in lakhs)	Maximum balance during the year (₹ in lakhs)	Shares held by loanee in the Company	
				No. of shares outstanding at the year end	Maximum No. of shares held during the year
<b>I.</b>	<b>Subsidiaries</b>				
1.	Gujarat Akruiti-TCG Biotech Limited	3.60 (1.00)	3.60 (3,909.46)	— (—)	— (—)
2.	Yantti Buildcon Private Limited	3,817.92 (3,771.42)	3,817.92 (3,771.42)	— (—)	— (—)
3.	Upvan Lake Resorts Private Limited	472.64 (452.89)	472.64 (461.14)	— (—)	— (—)
4.	Heddle Knowledge Private Limited	1,127.06 (1,731.74)	1,806.74 (3,472.50)	— (—)	— (—)
5.	Citygold Education Research Limited	3,770.78 (16.08)	3,809.28 (145.33)	— (—)	— (—)
6.	Citygold Farming Private Limited	334.88 (1,709.38)	1,709.38 (1,816.07)	— (—)	— (—)
7.	Headland Farming Private Limited	904.69 (912.69)	912.69 (927.69)	— (—)	— (—)
8.	Joynest Premises Private Limited	7,934.36 (74.59)	11,962.76 (455.31)	— (—)	— (—)
9.	Vega Developers Private Limited	1,056.24 (1,050.24)	1,056.24 (1,050.24)	— (—)	— (—)
10.	Ackruti Safeguard Systems Private Limited	1,763.77 (1,769.70)	1,769.70 (1,769.70)	— (—)	— (—)
11.	Citywood Builders Private Limited	4,472.75 (7,036.63)	7,110.13 (7,081.48)	— (—)	— (—)
12.	Arnav Gruh Limited	— (—)	— (1,801.29)	— (—)	— (—)
<b>II.</b>	<b>Associates</b>				
1.	Whitebud Developers Limited	903.12 (901.92)	903.12 (901.92)	— (—)	— (—)
2.	Shubhsiddhi Builders Private Limited	742.65 (742.65)	742.65 (742.65)	— (—)	— (—)
3.	Yellowcity Builders Private Limited	550.00 (550.00)	550.00 (550.00)	— (—)	— (—)
4.	Comral Realty Private Limited	14.87 (10.87)	14.87 (3,939.41)	— (—)	— (—)
<b>III.</b>	<b>Jointly Controlled Entities</b>				
1.	Sunstream City Private Limited	2.03 (82,138.78)	82,336.52 (82,338.78)	— (—)	— (—)
2.	Twenty Five South Realty Limited (formerly known as Hoary Realty Limited)	1,156.06 (313.70)	4,093.70 (7,436.75)	— (—)	— (—)
3.	Hubtown Bus Terminal (Vadodara) Private Limited	159.00 (90.31)	111.70 (733.67)	— (—)	— (—)
4.	Hubtown Bus Terminal (Mehsana) Private Limited	6.00 (34.50)	584.73 (2,909.50)	— (—)	— (—)
5.	Hubtown Bus Terminal (Surat) Private Limited	0.45 (0.45)	0.45 (200.45)	— (—)	— (—)
6.	Hubtown Bus Terminal (Ahmedabad) Private Limited	1,755.76 (—)	1,798.76 (207.00)	— (—)	— (—)
7.	Hubtown Bus Terminal (Adajan) Private Limited	1,212.16 (276.36)	1,246.88 (1,581.25)	— (—)	— (—)

Footnotes:

- Interest free advances.
- Previous year figures are given in brackets.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016 (CONTD.)

### NOTE '35'

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>A. INTEREST IN THE LIABILITIES, ASSETS, INCOME AND EXPENSES WITH RESPECT TO ENTITIES UNDER JOINT CONTROL AS AT 31st MARCH, 2016</b>		
<b>LIABILITIES :</b>		
<b>Non-current liabilities</b>		
Long-term borrowings	170,077.49	12,274.14
Deferred tax liabilities	—	—
Other long term liabilities	1,489.14	3,845.14
Long-term provisions	15.51	103.39
<b>Current liabilities</b>		
Short-term borrowings	13,122.31	12,488.77
Trade payables	8,923.63	7,281.01
Other current liabilities	46,951.02	21,430.77
Short term provisions	141.76	22.14
<b>ASSETS :</b>		
<b>Non-current assets</b>		
Fixed assets :		
Tangible assets	496.88	429.28
Intangible assets	16.13	16.49
Capital work-in-progress	100.09	60.45
Non-current investments	3.72	2.98
Deferred tax asset (Net)	0.28	—
Cash and bank balances	247.14	293.85
Long term loans and advances	2,666.90	911.64
Other non-current assets	129,855.63	9,564.53
<b>Current assets</b>		
Current investments	—	—
Inventories	143,566.77	107,116.74
Trade receivables	3,282.15	5,310.08
Cash and bank balances	1,312.25	1,955.68
Short-term loans and advances	22,887.72	13,211.45
Other current assets	11,255.62	5,482.74
<b>TOTAL INCOME:</b>		
Total revenue	5,747.41	13,255.35
Prior period adjustments (Net)	(54.27)	(76.88)
<b>EXPENDITURE:</b>		
Cost of construction / development	18,660.79	5,610.47
Changes in inventories of work-in-progress, finished properties and FSI	(20,427.53)	(9,274.44)
Employee benefit expenses	575.61	548.36
Finance costs	7,430.29	4,900.11
Depreciation and amortisation	140.56	493.10
Other expenses	2,338.91	2,696.54
Tax expense	(49.04)	(30.31)
<b>B. SHARE OF CONTINGENT LIABILITIES AND COMMITMENTS (NOT PROVIDED FOR):</b>		
Claims against the Company not acknowledged as debts on account of :		
1) Income tax matters under appeal	230.70	320.01
2) TDS Liability on account of short deduction, short payment and interest thereon as per TRACES.	—	411.42
3) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax)	—	42.04
4) Others	585.26	124.25

Footnote : Interest / penalty that may accrue on original demands are not ascertainable, at present. These joint ventures have taken necessary steps to protect their position with respect to the above referred claims, which in their opinion, based on professional / legal advice are not sustainable.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '36'

#### DISCLOSURE OF DERIVATIVES

- a. No derivative instruments were outstanding at the end of the year.  
b. Uncovered risks in foreign currency transactions disclosed as at 31 March, 2016

Particulars	Cash on Hand		Trade Payables	
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015
USD	2,982	2,982	4,725	15,900
INR	191,370	185,883	283,736	1,064,682
EURO	2,000	2,000	—	—
INR	143,349	133,940	—	—
UK Pound	925	67	—	—
INR	88,025	6,200	—	—
SG \$	165	165	26,675	—
INR	8,109	7,496	1,252,173	—
HKD	200	200	—	—
INR	1,706	1,605	—	—
AED	5,759	805	—	—
INR	89,265	13,661	—	—

### NOTE '37'

#### DISCLOSURE AS PER GUIDANCE NOTE ON ACCOUNTING FOR REAL ESTATE TRANSACTIONS (REVISED 2012)

##### Particulars for all projects

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
Project Revenue recognised in the reporting period	18,953.11	8,917.85
The aggregate amount of cost incurred till date	181,735.39	157,663.36
Advances received (Net of revenue recognition)#	30,378.37	27,858.29
Work-in-progress	96,132.05	82,704.42
Value of inventories	96,439.93	83,416.95
Unbilled revenue	4,707.58	4,422.41

# Includes amount received from customer against projects on which revenue is not recognised till date.

### NOTE '38'

A major fire took place at the registered office of the Company on December 23, 2011, causing extensive damage and destruction of records and assets of the Company, including financial accounting records. The management is of the opinion that no significant adjustments would be necessary to the position reported in the financial statements, upon reconstruction of balance documents and records.

### NOTE '39'

Loans and advances, other receivables, debtors and creditors are subject to confirmations and are considered payable / realisable, as the case may be.

### NOTE '40'

Previous year figures have been regrouped / reclassified wherever necessary, to make them comparable with current year figures in the financial statements.

As per our report of even date

For **DALAL DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

**DINESH DOSHI**  
PARTNER  
Membership No. : F - 9464

Mumbai  
Date: 22nd June, 2016

For and on behalf of the Board of Directors

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**CHETAN MODY**  
COMPANY SECRETARY

Nairobi  
Date: 22nd June, 2016

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Mumbai  
Date: 22nd June, 2016

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Hubtown Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hubtown Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entities and associate companies, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared on the basis of the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated financial statements. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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 auditors' judgement, 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 financial controls relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

Attention is invited to:

- a) Note 3 (III) (A) (ii) and (iii) in the financial statements with regard to recognition of expense and income for ongoing projects which is based upon estimated costs, as per the judgement of the management, which have been relied upon by us, these being technical matters.
- b) Note 5 (footnote b) in the financial statements with regard to non-creation of investments to the extent of 15% of the value of the redeemable debentures, which is required to be created and earmarked in the manner prescribed under Rule 18 (7) (c) of the Companies (Share Capital and Debentures) Rules, 2014 notified by the Ministry of Corporate Affairs.

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- c) Note 18 (footnote) of the financial statements regarding the status of the projects and the opinion framed by the Company's management regarding realizable value of the costs incurred, being a technical matter, relied upon by us.
- d) Note 33(B), regarding guarantees issued and securities provided aggregating ₹ 90099.69 lakhs by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the profits for the year and the net worth of the Company. In the opinion of the Management, these are not expected to result into any financial liability to the Company.
- e) Note 33 (footnote b) of the financial statements with regard to reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities given by the Company.
- f) Note 40 of the financial statements with regard to balances that are subject to confirmations, reconciliation and adjustments if any.
- g) Note 15 (footnote) of the financial statements with regard to amounts deposited with the Hon'ble Sessions Court, Mumbai as deposits on account of an ongoing case in connection with a commercial transaction with an erstwhile associate company. In connection with the above, a bank account of the Company has been attached by the Maharashtra State CID. Considering the facts of the matter and its pendency, we are unable to express any opinion on the same as the matter is sub-judice.
- h) Note 28 (footnote c) of the financial statements with regard to corporate social responsibility (CSR) expense, which is subject to cheque realization by the recipient.
- i) The Company has not charged interest on advances given to various group entities developing real estate projects, in which the Company has a business interest.
- j) With regard to investments and loans and advances made by Company in certain associates and jointly controlled entities which have incurred losses and also have negative net worth as at March 31, 2016. As explained to us, investments in these entities are considered strategic and long term in nature and the entities are in early stage of real estate development or have certain investments, or are in the process of acquiring investments / projects which in the opinion of the Company, have current market value of properties and assets significantly in excess of their carrying values and are expected to achieve adequate profitability on substantial completion of their projects or sale of investments. Considering the above, the Company has not provided for diminution in the value of its investments in such entities or in respect of loans and advances to such entities, which are considered good and fully recoverable.
- k) Note 13 (footnote a) with regard to non-availability of financial statements of two step down subsidiaries of the Company due to which the same are not considered for consolidation.
- l) Non availability of the financial statements of one associate of the Company, not considered for consolidated financial statement of the Company.

Our opinion is not qualified in respect of the above matters.

### Other Matters

- a. We did not audit the financial statements of four subsidiaries and one jointly controlled entity, whose financial statements reflect total assets (net) of ₹ 35970.16 lakhs as at 31st March, 2016, total revenues of ₹ 1064.40 lakhs and net cash flows are amounting to ₹ (168.19) lakhs for the year then ended on that date, as considered in the consolidated financial statements. We also did not audit the financial statements of one associate, whose aggregate share of net profit amounting to ₹ 369.84 lakhs are also included in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entity and associate, is based solely on the reports of the other auditors.
- b. We did not audit the financial statements of nine subsidiaries and fourteen jointly controlled entities which reflect total assets (net) of ₹ 691763.36 lakhs as at 31st March, 2016, total revenues of ₹ 32253.07 lakhs and net cash flow of ₹ (212.60) lakhs for the year then ended on that date, as considered in the consolidated financial statements. We also did not audit the financial statements of two associates, whose aggregate share of net profit amounting to ₹ 1.32 lakhs are also included in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entities incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group, its associates and jointly controlled entities;
  - ii. The Holding Company and its subsidiary companies, associate companies and jointly controlled companies did not have any long term contracts including derivative contracts as March 31, 2016 for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year ended March 31, 2016.

**For Dalal Doshi and Associates**

Firm Registration Number: 121773W

Chartered Accountants

**Dinesh Doshi**

Partner

Membership No.: F-9464

Place : Mumbai

Date : June 22, 2016

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HUBTOWN LIMITED

#### Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act').

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Hubtown Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

Further, we reserve our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting in case of nine subsidiaries, two associate companies and seven jointly controlled companies, incorporated in India, which are unaudited and have been furnished to us by the Management.

**For Dalal Doshi and Associates**  
Firm Registration Number: 121773W  
Chartered Accountants

**Dinesh Doshi**  
Partner  
Membership No.: F-9464

Place : Mumbai  
Date : June 22, 2016

# HUBTOWN

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31 March, 2016 (₹ in lakhs)	As at 31 March, 2015 (₹ in lakhs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	7,273.59	7,273.59
Reserves and surplus	5	163,421.16	162,636.06
		<b>170,694.75</b>	169,909.65
<b>Minority interest</b>			
		<b>1,784.24</b>	1,797.63
<b>Non-current liabilities</b>			
Long-term borrowings	6	217,836.48	75,551.48
Other long-term liabilities	7	5,141.00	6,618.30
Long-term provisions	8	298.12	263.31
		<b>223,275.60</b>	82,433.09
<b>Current liabilities</b>			
Short-term borrowings	9	75,036.09	57,717.94
Trade payables	10	23,334.70	22,619.44
Other current liabilities	11	212,253.93	169,047.62
Short-term provisions	8	342.18	348.17
		<b>310,966.90</b>	249,733.17
<b>Total</b>		<b>706,721.49</b>	<b>503,873.54</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets :			
Tangible assets			
	12	3,900.36	4,022.17
Intangible assets:			
- Goodwill on consolidation		26,969.74	11,385.56
- Other Intangible assets		53.77	57.98
Capital work-in-progress		1,508.44	1,301.75
Non-current investments			
	13	86,518.54	25,060.33
Deferred tax asset (Net)	14	3,128.52	2,977.77
Long-term loans and advances	15	40,291.58	102,010.17
Other non-current assets	16	136,550.22	16,710.73
		<b>298,921.17</b>	163,526.46
<b>Current Assets</b>			
Current investments	17	2,897.41	3,502.69
Inventories	18	300,470.12	244,175.58
Trade receivables	19	19,866.32	18,243.08
Cash and bank balances	20	4,503.97	5,626.90
Short-term loans and advances	15	60,161.61	55,860.19
Other current assets	16	19,900.89	12,938.64
		<b>407,800.32</b>	340,347.08
<b>Total</b>		<b>706,721.49</b>	<b>503,873.54</b>

The accompanying notes 1 to 40 are an integral part of the financial statements.

As per our report of even date

For **DALAL DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

**DINESH DOSHI**  
PARTNER  
Membership No. : F - 9464

Mumbai  
Date: 22nd June, 2016

For and on behalf of the Board of Directors

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**CHETAN MODY**  
COMPANY SECRETARY

Nairobi  
Date: 22nd June, 2016

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Mumbai  
Date: 22nd June, 2016



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	Year Ended 31 March, 2016 (₹ in lakhs)	Year Ended 31 March, 2015 (₹ in lakhs)
<b>INCOME</b>			
Revenue from operations	21	<b>45,104.18</b>	44,326.08
Other income	22	<b>4,279.41</b>	9,464.92
<b>Total</b>		<b>49,383.59</b>	53,791.00
<b>EXPENSES</b>			
Cost of construction / development	23	<b>37,681.38</b>	20,661.27
Changes in inventories of work-in-progress, finished properties and FSI	24	<b>(39,864.02)</b>	(23,166.46)
Employee benefits expense	25	<b>2,608.78</b>	2,498.46
Finance costs	26	<b>45,199.57</b>	40,341.35
Depreciation and amortisation on fixed assets and investment properties	27	<b>507.09</b>	979.84
Other expenses	28	<b>6,727.18</b>	10,845.46
Amortisation / adjustment of goodwill		<b>341.36</b>	427.58
<b>Total</b>		<b>53,201.34</b>	52,587.50
<b>Profit / (Loss) before extraordinary items and tax</b>			
		<b>(3,817.75)</b>	1,203.50
Extraordinary items		—	350.00
<b>Profit / (Loss) before tax</b>			
		<b>(3,817.75)</b>	1,553.50
Tax expense :			
Current tax		<b>(375.59)</b>	(742.71)
Excess / (Short) provision for taxation in respect of earlier years		<b>686.53</b>	265.69
Deferred tax (charge) / credit		<b>150.75</b>	(501.35)
<b>Profit / (Loss) after tax but before adjustments</b>			
		<b>(3,356.06)</b>	575.13
Prior period adjustments (Net)	29	<b>(97.02)</b>	(444.76)
Share of profit / (loss) from associate companies		<b>368.69</b>	118.61
Minority interest		<b>59.65</b>	46.26
Pre-acquisition gain/(loss)		<b>20.46</b>	(238.87)
Capital reserve written back on dilution		—	17.28
(Loss) / Gain on cessation / sale / conversion of shares in subsidiaries / joint ventures		<b>130.01</b>	—
<b>Profit / (Loss) for the year</b>			
		<b>(2,874.27)</b>	73.65
Earning per equity share of nominal value of ₹ 10/- each)	30		
Earning before Extraordinary Item (in ₹) :			
Basic and diluted		<b>(3.95)</b>	(0.38)
Earning after Extraordinary Item (in ₹) :			
Basic and diluted		<b>(3.95)</b>	0.10

The accompanying notes 1 to 40 are an integral part of the financial statements.

As per our report of even date

For **DALAL DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

**DINESH DOSHI**  
PARTNER  
Membership No. : F - 9464

Mumbai  
Date: 22nd June, 2016

For and on behalf of the Board of Directors

**HEMANT M. SHAH**                      **VYOMESH M. SHAH**  
EXECUTIVE CHAIRMAN                      MANAGING DIRECTOR

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Mumbai  
Date: 22nd June, 2016

**CHETAN MODY**  
COMPANY SECRETARY

Nairobi  
Date: 22nd June, 2016

# HUBTOWN

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>CASH FLOWS ARISING FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) before taxation, prior period items as per Statement of Profit and Loss	(3,817.75)	1,553.50
<b>Add / (Less) :</b>		
Finance costs	45,199.57	40,341.35
Share of (Profit) / Loss from investment in partnership firms and JVs	—	6.06
Amortisation / adjustment of goodwill	341.36	427.58
(Gain) / Loss on cessation / sale / conversion of shares in Subsidiaries / Joint Ventures	(2,851.65)	(2,406.50)
Depreciation and amortisation	507.09	979.84
Project expenses written off / amortised	—	676.98
Prior period adjustments (Net)	(97.02)	(444.76)
(Profit) / Loss on sale of fixed assets (Net)	(1.44)	(8.74)
(Profit) / Loss on sale of investments	(15.39)	(2.27)
Provisions no longer required	(1,375.55)	(2,219.55)
Dividend from current investments	(1.57)	(64.60)
Interest income	(1,597.51)	(4,537.74)
	<b>40,107.89</b>	<b>32,747.65</b>
<b>Operating profit before working capital changes</b>	<b>36,290.14</b>	<b>34,301.15</b>
<b>Add / (Less) :</b>		
(Increase) / Decrease in inventories	(41,388.59)	(27,137.21)
(Increase) / Decrease in trade and other receivables	5,576.76	4,264.57
Increase / (Decrease) in trade and other payables	32,596.03	16,091.83
Direct taxes paid	(64.94)	969.13
	<b>(3,280.74)</b>	<b>(5,811.68)</b>
<b>Net cash flow from operating activities</b>	<b>I</b> <b>33,009.40</b>	<b>28,489.47</b>
<b>CASH FLOWS ARISING FROM INVESTING ACTIVITIES</b>		
<b>Inflow / (Outflow) on account of :</b>		
Dividend from current investments	1.57	64.60
Interest income received	1,572.88	3,916.51
(Increase) / Decrease in loans and advances, including land, etc.	(17,257.80)	(478.40)
(Purchase) / Sale of fixed assets including capital work-in-progress (Net)	(614.32)	850.07
Acquisition / disposal of interest in Joint Ventures (Net)	3,586.26	5,778.65
(Purchase) / Sale of Long term / Current investments (Net)	(6,549.78)	6,934.82
<b>Net cash flow from investing activities</b>	<b>II</b> <b>(19,261.19)</b>	<b>17,066.25</b>
<b>Inflow / (Outflow) on account of :</b>		
Increase / (Decrease) in long term and short term borrowings	24,193.55	(2,776.16)
Finance costs paid	(38,389.23)	(41,958.35)
<b>Net cash flow from financing activities</b>	<b>III</b> <b>(14,195.68)</b>	<b>(44,734.51)</b>
<b>Net increase in cash and cash equivalents ( I + II + III )</b>	<b>(447.47)</b>	<b>821.21</b>
<b>Add: Balance at the beginning of the year</b>	<b>3,181.73</b>	<b>2,478.38</b>
<b>Add/(Less): Impact on cash and cash equivalents on account of acquisition and dilution</b>	<b>—</b>	<b>(117.86)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,734.26</b>	<b>3,181.73</b>
<b>Components of cash and cash equivalents (Refer Note 20)</b>		
Cash and cash equivalents:		
Cash on hand	89.63	87.53
Balances with banks		
— In Current accounts	1,446.88	2,042.22
— Deposits with maturity of less than three months	147.59	257.01
Share in Joint Ventures	1,050.16	794.97
	<b>2,734.26</b>	<b>3,181.73</b>

Footnote:

Previous year figures have been regrouped / reclassified wherever necessary, to make them comparable with current year figures.

As per our report of even date

For **DALAL DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

**DINESH DOSHI**  
PARTNER  
Membership No. : F - 9464

Mumbai  
Date: 22nd June, 2016

For and on behalf of the Board of Directors

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**CHETAN MODY**  
COMPANY SECRETARY

Nairobi  
Date: 22nd June, 2016

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Mumbai  
Date: 22nd June, 2016

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### NOTE '1'

#### PRINCIPLES OF CONSOLIDATION:

- I. The Consolidated Financial Statements relate to Hubtown Limited ('the Company') and its Subsidiary companies, Associates and Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis:
  - a. The Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses as per Accounting Standard (AS-21) – Consolidated Financial Statements.
  - b. Investments in Associates have been accounted under the equity method as per Accounting Standard (AS-23) – Accounting for Investments in Associates in Consolidated Financial Statements.
  - c. Investments in Joint Ventures have been accounted under the proportionate consolidation method as per Accounting Standard (AS-27) – Financial Reporting of Interests in Joint Ventures.
  - d. The excess of the Company's portion of equity in the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve. The excess of cost of investment over the Company's portion of equity as at the date of investment is treated as Goodwill. Goodwill arising on consolidation of entities acquired by the group, representing value of land / rights held by such entities is carried forward. The said Goodwill is proportionately recognised as an expense in the Statement of Profit and Loss in the year in which revenue is recognised, on the basis of area sold in the related entity. Further, such Goodwill is tested for impairment at each Balance Sheet date.
  - e. The difference between the proceeds from disposal of investment in a subsidiary / joint venture and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss under revenue from operations.
  - f. Intra-group balances and intra-group transactions and resulting unrealized profits have been eliminated.
  - g. 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 except for depreciation method/ rates followed by partnership firms and association of persons ( AOP ). In case of any differences in accounting treatment of subsidiaries, jointly controlled entities and associates, they are brought in line with the Holding Company's accounting policies and treatment, if any, for differences have been duly considered.
- II. Investments other than in Subsidiaries, Associates and Joint Ventures, have been accounted as per Accounting Standard (AS-13) – Accounting for Investments.
- III. The list of subsidiary companies considered for consolidation, and the Company's holdings therein are as under:

Name of the Entities	Country of Incorporation	Percentage of Voting Power as at 31 March, 2016	Percentage of Voting Power as at 31 March, 2015
<b>Name of the Subsidiaries:</b>			
ABP Realty Advisors Private Limited	India	100.00%	100.00%
Ackruti Safeguard Systems Private Limited	India	72.43%	72.43%
Citygold Education Research Limited	India	100.00%	100.00%
Citygold Farming Private Limited	India	100.00%	100.00%
Citywood Builders Private Limited	India	100.00%	75.00%
Devkrupa Build Tech Limited	India	51.00%	100.00%
Diviniti Projects Private Limited	India	100.00%	100.00%
Gujarat Akruiti - TCG Biotech Limited	India	74.00%	74.00%
Halitious Developer Limited	India	100.00%	100.00%
Headland Farming Private Limited	India	100.00%	100.00%
Heddle Knowledge Private Limited	India	100.00%	100.00%
Heet Builders Private Limited	India	94.40%	94.40%
India Development And Construction Venture Capital Private Limited	India	100.00%	100.00%
Joynest Premises Private Limited	India	74.00%	74.00%
Sheshan Housing and Area Development Engineers Limited (upto 1st April, 2015)	India	–	100.00%
Upvan Lake Resorts Private Limited	India	75.00%	75.00%
Urvi Build Tech Limited	India	100.00%	100.00%
Vama Housing Limited	India	100.00%	100.00%
Vega Developers Private Limited	India	100.00%	100.00%
Vishal Techno Commerce Limited	India	100.00%	100.00%
Yantti Buildcon Private Limited	India	100.00%	100.00%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '1' : (Contd.)

IV. The significant Associate Companies and Joint Ventures considered in the consolidated financial statements are:

Name of the Entities	Country of Incorporation	Percentage of Voting Power as at 31 March, 2016	Percentage of Voting Power as at 31 March, 2015
<b>Name of the Associates:</b>			
Comral Realty Private Limited (upto 18th April, 2015)	India	—	50.00%
Pristine Developers Private Limited	India	40.00%	40.00%
Shubhsiddhi Builders Private Limited	India	50.00%	50.00%
Vinca Developer Private Limited	India	49.00%	49.00%
Whitebud Developers Limited	India	50.00%	50.00%
Yellowcity Builders Private Limited (upto 21st March, 2016)	India	—	43.50%
<b>Jointly Controlled Entities :</b>			
Akruti GM JV	India	77.00%	77.00%
Akruti Jay Chandan JV	India	50.00%	50.00%
Akruti Jay Developers	India	66.66%	66.66%
Akruti Kailash Constructions	India	90.00%	90.00%
Akruti Realty Forefront Combine (upto 30th March, 2016)	India	—	90.00%
Akruti Steelfab Corporation	India	55.00%	55.00%
Hinterland Fintrade JV	India	60.00%	60.00%
Hiranandani Akruti JV (upto 1st April, 2015)	India	—	50.00%
Twenty Five South Realty Limited (Formerly known as Hoary Realty Limited)	India	61.27%	39.52%
Hubtown Bus Terminal (Surat) Private Limited ( * )	India	45.00%	45.00%
Hubtown Bus Terminal (Adajan) Private Limited	India	45.00%	45.00%
Hubtown Bus Terminal (Ahmedabad) Private Limited	India	45.00%	45.00%
Hubtown Bus Terminal (Mehsana) Private Limited	India	45.00%	45.00%
Hubtown Bus Terminal (Vadodara) Private Limited	India	45.00%	45.00%
Joyous Housing Limited	India	25.00%	25.00%
New Township Fintrade JV	India	60.00%	60.00%
Rare Townships Private Limited	India	40.00%	40.00%
Rising Glory Developers	India	86.30%	76.34%
Rukshmani Properties Private Limited ( * ) (upto 30th June, 2015)	India	—	25.00%
Shreenath Realtors	India	92.50%	92.50%
Sunstream City Private Limited	India	43.00%	43.00%
Town Planning Fintrade JV	India	60.00%	60.00%

(\*) Interests through jointly controlled entities.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '1' : (Contd.)

V. Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Associates / Joint Ventures

Sr. No.	Name of the Entities	31st March, 2016				31st March, 2015			
		Net Assets (Total Assets — Total Liabilities)		Share in profit / (loss)		Net Assets (Total Assets — Total Liabilities)		Share in profit / (loss)	
		As a % of consolidated net assets	Amount (₹ in lakhs)	As a % of consolidated profit / (loss)	Amount (₹ in lakhs)	As a % of consolidated net assets	Amount (₹ in lakhs)	As a % of consolidated profit / (loss)	Amount (₹ in lakhs)
	<b>Parent</b>								
	Hubtown Limited	101.51	173,272.78	(74.11)	2,130.06	100.73	171,142.73	1,458.94	1,074.51
	<b>Subsidiaries</b>								
1	ABP Realty Advisors Private Limited	—	4.34	0.01	(0.19)	—	4.53	(1.11)	(0.82)
2	Akruti Safeguard Systems Private Limited	(0.65)	(1,113.00)	0.14	(4.00)	(0.65)	(1,109.01)	(28.99)	(21.35)
3	Adhivitiya Properties Limited (upto 31st August, 2014)	—	—	—	—	—	—	(36.89)	(27.17)
4	Arnav Gruh Limited (upto 28th February, 2015)	—	—	—	—	—	—	630.16	464.11
5	Citygold Education Research Limited	2.29	3,901.01	3.07	(88.19)	2.35	3,989.20	(97.24)	(71.62)
6	Citygold Farming Private Limited	1.34	2,291.88	10.17	(292.21)	1.52	2,584.09	(658.06)	(484.66)
7	Citywood Builders Private Limited	(0.24)	(403.44)	(1.79)	51.41	(0.27)	(455.11)	(293.94)	(216.49)
8	Devkurpa Build Tech Limited	(0.51)	(866.13)	(2.66)	76.58	(0.55)	(942.71)	(101.40)	(74.68)
9	Diviniti Projects Private Limited	0.29	487.31	0.11	(3.19)	0.29	490.50	(6.99)	(5.15)
10	Gujarat Akruti—TCG Biotech Limited	(0.22)	(373.91)	0.49	(14.02)	(0.21)	(359.89)	(14.95)	(11.01)
11	Halitious Developer Limited	0.18	306.51	0.03	(0.76)	0.18	307.27	(2.84)	(2.09)
12	Headland Farming Private Limited	0.09	146.25	0.41	(11.85)	0.09	158.10	(7.32)	(5.39)
13	Heddle Knowledge Private Limited	(0.51)	(862.31)	20.34	(584.52)	(0.16)	(277.80)	(18.51)	(13.63)
14	Heeler Hospitality Private Limited (upto 31st March, 2015)	—	—	—	—	—	—	(1.05)	(0.77)
15	Heet Builders Private Limited	(0.16)	(280.35)	5.05	(145.02)	(0.08)	(135.32)	(44.30)	(32.63)
16	India Development And Construction Venture Capital Private Limited	(0.01)	(9.82)	0.06	(1.61)	(0.00)	(8.20)	(2.67)	(1.97)
17	Joynest Premises Private Limited	5.75	9,809.83	8.85	(254.26)	4.87	8,279.88	(281.85)	(207.58)
18	Merrygold Buildcon Private Limited (upto 31st March, 2015)	—	—	—	—	—	—	(8.38)	(6.17)
19	Sheshan Housing and Area Development Engineers Limited (upto 1st April, 2015)	—	—	—	—	0.04	73.42	(0.54)	(0.40)
20	Upvan Lake Resorts Private Limited	(0.01)	(20.53)	0.01	(0.08)	(0.01)	(20.46)	(11.93)	(8.79)
21	Urvi Build Tech Limited	(0.51)	(867.55)	(5.83)	167.70	(0.61)	(1,035.25)	(233.63)	(172.07)
22	Vama Housing Limited	(0.17)	(293.31)	0.18	(5.28)	(0.17)	(288.03)	(4.01)	(2.95)
23	Vega Developers Private Limited	1.04	1,770.54	0.02	(0.58)	0.17	291.12	(2.48)	(1.83)
24	Vishal Nirman (India) Limited (upto 31st March, 2015)	—	—	—	—	—	—	(0.81)	(0.60)
25	Vishal Techno Commerce Limited	1.23	2,105.85	0.45	(12.88)	1.25	2,118.73	(1.13)	(0.83)
26	Yantti Buildcon Private Limited	(0.02)	(32.75)	0.17	(5.02)	(0.02)	(27.73)	(26.98)	(19.87)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '1' : (Contd.)

V. Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Associates / Joint Ventures (Contd.)

Sr. No.	Name of the Entities	31st March, 2016				31st March, 2015			
		Net Assets (Total Assets — Total Liabilities)		Share in profit / (loss)		Net Assets (Total Assets — Total Liabilities)		Share in profit / (loss)	
		As a % of consolidated net assets	Amount (₹ in lakhs)	As a % of consolidated profit / (loss)	Amount (₹ in lakhs)	As a % of consolidated net assets	Amount (₹ in lakhs)	As a % of consolidated profit / (loss)	Amount (₹ in lakhs)
	<b>Associates</b>								
27	Pristine Developers Private Limited	—	—	(12.90)	370.91	—	—	195.74	144.16
28	Yellowcity Builders Private Limited (upto 21st March, 2016)	—	—	0.08	(2.22)	—	—	1.13	0.83
29	Comral Realty Private Limited (upto 18th April, 2015)	—	—	—	—	—	—	(35.14)	(25.88)
30	Shubhsiddhi Builders Private Limited (w.e.f. 29th November, 2014)	—	—	—	—	—	—	(0.68)	(0.50)
31	Vinca Developer Private Limited	—	—	—	—	—	—	—	—
32	Whitebud Developers Limited	—	—	—	—	—	—	—	—
	<b>Jointly Controlled Entities</b>								
33	Rare Townships Private Limited	4.35	7,425.15	21.22	(609.82)	4.73	8,034.97	(846.84)	(623.70)
34	Hubtown Bus Terminal (Adajan) Private Limited	0.41	702.77	1.16	(33.41)	0.43	736.18	(76.97)	(56.69)
35	Hubtown Bus Terminal (Mehsana) Private Limited	0.81	1,389.25	(8.06)	231.66	0.68	1,157.59	(31.49)	(23.19)
36	Hubtown Bus Terminal (Vadodara) Private Limited	0.11	188.80	6.86	(197.21)	0.23	386.01	(114.32)	(84.20)
37	Twenty South Realty Limited	6.37	10,877.97	17.77	(510.69)	3.82	6,484.68	(129.36)	(95.27)
38	Joyous Housing Limited *	(0.06)	(95.45)	0.63	(18.03)	(0.05)	(77.41)	(20.35)	(14.99)
39	Hubtown Bus Terminal (Ahmedabad) Private Limited	2.47	4,217.58	43.22	(1,242.34)	3.21	5,459.32	(378.62)	(278.85)
40	Sunstream City Private Limited	(0.15)	(259.52)	1.35	(38.67)	(0.13)	(220.84)	(89.27)	(65.75)
	<b>Firms</b>								
41	Akruti Kailash Constructions	—	—	—	—	—	—	—	—
42	Gandhi Adhivitiya Combine	—	—	—	—	—	—	—	—
43	Sole Builders	—	—	—	—	—	—	—	—
44	Akruti Steelfab Corporation	—	—	—	—	—	—	—	—
45	Akruti Jay Developers	—	—	—	—	—	—	—	—
46	Rising Glory Developers	—	—	—	—	—	—	—	—
47	Shreenath Realtors	—	—	—	—	—	—	—	—
	Minority interests in all subsidiaries	1.05	1,784.24	(2.08)	59.65	(1.06)	(1,797.63)	62.81	46.26
	Inter—company elimination and consolidation adjustments	(26.07)	(44,508.29)	65.61	(1,886.19)	(20.62)	(35,033.28)	1,362.28	1,003.32
	<b>Total</b>	<b>100.00</b>	<b>170,695.70</b>	<b>100.00</b>	<b>(2,874.27)</b>	<b>100.00</b>	<b>169,909.65</b>	<b>100.00</b>	<b>73.65</b>

\*Previous year figures for Joyous Housing Limited are figures after consolidation with its subsidiary Rukshmani Properties Private Limited.

### NOTE '2'

The significant accounting policies and notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Company. Recognising this purpose, the Company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '3' : SIGNIFICANT ACCOUNTING POLICIES

#### I. Basis of preparation of financial statements

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules, 2014 as specified under Section 133 of the Companies Act, 2013. The financial statements are prepared under the historical cost convention, on an accrual basis of accounting. The accounting policies applied are consistent with those used in the previous year.

All the Assets and Liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance notes as set out in Schedule III to the Companies Act, 2013.

Operating cycle for the business activities of the Company covers the duration of the specific project/ contract/ service and extends upto the realisation of receivables within the agreed credit period normally applicable to the respective project.

#### II. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions, that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

#### III. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured and also when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

##### A. Revenue from sale of properties / rights

- i. Revenue from sale of 'finished properties / buildings / rights' is recognised on transfer of all significant risks and rewards of ownership of such properties / buildings / rights, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sale contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.
- ii. For projects commenced and period where revenue is recognised before April 1, 2012: Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met:
  - a. 25% of the total estimated construction and development costs of the project; and
  - b. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

Further, revenue recognition is restricted, in case, where the project cost is revised, resulting in decrease of percentage of actual cost incurred to total estimated cost. The effect of changes in cost, if any, is recognized in the financial statements for the period in which such changes are determined.

- iii. For projects commenced on or after April 1, 2012 and also for projects which have already commenced but where revenue is being recognised for the first time on or after April 1, 2012: Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met:
  - a. All critical approvals necessary for the commencement of the project have been obtained;
  - b. The expenditure incurred on construction and development costs, excluding land costs, is not less than 25% of the total estimated construction and development costs of the project;
  - c. Atleast 25% of the saleable project area is secured by agreements with the buyers; and
  - d. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed on the Company by statutory authorities is postponed till such obligations are substantially discharged.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '3' : (Contd.)

Estimated costs relating to construction / development are charged to the Statement of Profit and Loss in proportion to the revenue recognized during the year. The balance costs are carried as part of 'Incomplete Projects' as inventories under current assets. Amounts receivable / payable are reflected as Trade Receivables / Unbilled Receivables or Advances from customers, respectively, after considering income recognized in the aforesaid manner.

- iv. The Company has adopted the principles of revenue recognition on the basis of "Guidance Note on Accounting Treatment for Real Estate Transactions (Revised 2012)" issued by the Institute of Chartered Accountants of India , for all projects on which revenue recognition was not commenced till 31 March, 2012. Revenue recognition policy on real estate transactions, which was followed prior to March 31, 2012 is continued to be followed on such erstwhile projects. There is no impact on the current year profits on account of such change in revenue recognition policy.
- v. Losses expected to be incurred on projects under construction, are charged in the Statement of Profit and Loss in the period in which the losses are known.
- vi. Costs of the projects are based on the management's estimate of the cost to be incurred upto the completion of the projects and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically.
- vii. The sale proceeds of the investments held in the subsidiaries, joint ventures, etc. developing real estate projects are included in real estate revenue, net of cost.

#### **B. Revenue from project management services:**

Revenue from 'project management services' is recognized based on the agreements between the Company and the parties, to whom such services are rendered.

#### **C. Profit / Loss from partnership firms / association of persons:**

Share of profit / loss from partnership firms / association of persons (AOP) is accounted in respect of the financial year of the Firm / AOP, during the reporting period, on the basis of their audited / management accounts, which is considered as a part of other operating activity.

#### **D. Income from leased premises:**

Lease income from operating lease is recognised in the Statement of Profit and Loss on straight line basis over the lease term.

#### **E. Interest and dividend:**

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the right to receive dividend is established.

#### **F. Others:**

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

### **IV. Tangible assets and depreciation / amortisation**

- A. Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any.
- B. Tangible assets disclosed under 'Non-Current Investments' as 'Investment Properties', are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any. Attention is also invited to Accounting Policy No. (VI)(C).
- C. Depreciation is provided on straight line method on the basis of useful life of the assets in the manner as prescribed in Schedule II to the Companies Act, 2013. For entities in the nature of partnership firms and association of persons (AOP), depreciation is calculated on written down value method at the rates prescribed under the Income Tax Act,1961. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the month of such addition, or upto the month of such sale/disposal, as the case may be.
- D. Cost of Leasehold Land is amortised on a straight line basis, over the primary lease period.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '3' : (Contd.)

- E. Cost of Mivan System is amortised on a straight line basis, over the life of the project, but not exceeding a period of five years.
- F. Technical Know-how are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life of twenty years.

### V. Intangible assets and amortisation

Computer softwares are classified as intangible assets and are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life of five years, as determined by the management.

### VI. Inventories

All inventories are stated at lower of 'Cost or Net Realizable Value'.

- A. 'Stock of material at Site' includes cost of purchase, other costs incurred in bringing them to their respective present location and condition. Cost formula used is average cost.
- B. 'Incomplete Projects' include cost of incomplete properties for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate directly to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure in the year in which they are incurred unless they are separately identifiable and it is probable that the respective project will be obtained.
- C. Finished properties given under operating lease are disclosed under 'Non-Current Investments' as 'Investment Properties'. The costs transferred to the 'Investment Properties' are shown as deductions from the costs carried in opening inventory and construction costs incurred during the year. These assets are depreciated / amortised as per the Accounting Policy Nos. (IV)(C) and (IV)(D). Although the Company considers these assets as Inventories held for sale in the ordinary course of business, the disclosure under 'Non-Current Investments' as 'Investment Properties' and provision for depreciation / amortisation is made to comply with the requirements of Accounting Standard (AS-19) – 'Leases' and Accounting Standard (AS-13) - 'Investments'.
- D. Value of 'Floor Space Index' (FSI) generated is recognized as inventory at cost (i.e. proportionate rehab component cost) as and when necessary obligations / conditions are fulfilled in entirety, which are imposed on the Company by statutory authorities (viz. Rehabilitation Authority, etc.), in lieu of which the FSI is allotted to the Company. The value of FSI is either carried as inventory (at cost) held for intended sale or with the intention to utilise in construction of projects undertaken for sale.

Inventory value includes costs incurred upto the completion of the project viz. cost of land / rights, value of Floor Space Index (FSI), materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

### VII. Investments

- A. Investments are classified into Current and Non-Current / Long Term Investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize decline, other than temporary, in the value of long term investments.
- B. Current Account in Partnership Firms and Joint Ventures represent additional contribution, share of profits and losses and excess withdrawal of funds. Additional contribution and share of profits to the extent not withdrawn is carried as 'Current Investment in Partnership Firms and Joint Ventures' under 'Current / Non-Current Investment', as the case may be. Excess withdrawals and share of losses are booked under 'Other Current Liabilities'.

### VIII. Employee benefits

- A. **Short term employee benefits** are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered;
- B. **Post Employment Benefits:**
  - i. Defined contribution plans: The Company's contribution to State governed Provident Fund Scheme is recognized in the year in which the related service is rendered;
  - ii. Defined benefit plans: The present value of gratuity obligation is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the Plan Assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis;

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '3' : (Contd.)

- C. **Other long-term benefits** (leave entitlement) are recognized in a manner similar to defined benefit plans;
- D. **Termination Benefits** are recognized as an expense in the Statement of Profit and Loss in the year in which they are incurred;
- E. **Actuarial gains / losses** are recognized in the Statement of Profit and Loss during the relevant period.

### IX. Borrowing costs

Interests and other borrowing costs (including ancillary borrowing costs) attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and no costs are allocated once all such activities are substantially complete. Ancillary borrowing costs (including front-end fees, processing fees, etc. due to which the rate of borrowing gets reduced) are amortised over the period of the related borrowing, but not exceeding a period of three years. Other borrowing costs are charged to the Statement of Profit and Loss.

### X. Foreign currency transactions

- A. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevalent on the dates of the relevant transactions.
- B. Monetary Assets and Liabilities in foreign currency, outstanding as at the Balance Sheet date, are converted in the reporting currency at the closing rates of exchange prevailing on the said date. The resultant gain or loss is recognized during the year in the Statement of Profit and Loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

### XI. Segment reporting

The Company is mainly engaged in the business of Real Estate Development, which as per Accounting Standard (AS-17) 'Segment Reporting' is considered to be the only reportable business segment. The Company is also operating primarily within the same geographical segment. Hence, disclosures under AS-17 are not applicable. Reference is invited to Note 35.

### XII. Impairment of assets

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

### XIII. Taxation

Income tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable for the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

Excess / short provision for taxation is recognized on completion of necessary taxation proceedings (viz. revised returns, assessments, etc.)

In case, the Company is liable to pay income tax under Section 115JB of the Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognised as an asset (MAT Credit Entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

### XIV. Provisions, contingent liabilities and contingent assets

Provisions involving a 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 financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '4'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
125,000,000 (P.Y. 125,000,000) Equity Shares of ₹ 10/- each	<b>12,500.00</b>	12,500.00
	<b>12,500.00</b>	12,500.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
72,735,871 (P.Y. 72,735,871) Equity Shares of ₹ 10/- each fully paid up	<b>7,273.59</b>	7,273.59
<b>Total</b>	<b>7,273.59</b>	7,273.59

Footnotes:

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>a. Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the year</b>		
Number of shares at the beginning of the year	<b>72,735,871</b>	72,735,871
Add/(Less) :		
Issued during the year	—	—
Buyback during the year	—	—
Conversion during the year	—	—
<b>At the end of the year</b>	<b>72,735,871</b>	72,735,871

	31 March, 2016		31 March, 2015	
	Nos.	% of Holding	Nos.	% of Holding
<b>b. Equity shareholders holding more than five percent shares in the Company</b>				
Hemant M. Shah	<b>5,800,000</b>	<b>7.97%</b>	5,800,000	7.97%
Vyomesh M. Shah	<b>7,540,000</b>	<b>10.37%</b>	7,540,000	10.37%
Hemant M. Shah with Vyomesh M. Shah	<b>190,000</b>	<b>0.26%</b>	190,000	0.26%
Mahipatray V. Shah (HUF)	<b>9,600,000</b>	<b>13.20%</b>	9,600,000	13.20%
Hemant M. Shah (HUF)	<b>4,980,500</b>	<b>6.85%</b>	4,980,500	6.85%
Vyomesh M. Shah (HUF)	<b>3,925,000</b>	<b>5.40%</b>	4,100,000	5.64%
Kunjali H. Shah	<b>3,308,000</b>	<b>4.55%</b>	5,308,000	7.30%
Falguni V. Shah	<b>5,993,316</b>	<b>8.24%</b>	5,993,316	8.24%

**c. Terms / rights attached to Equity Shares :**

The Company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '5'</b>		
<b>RESERVES AND SURPLUS</b>		
Securities premium account	<b>60,713.89</b>	60,713.89
Amount received during the period	—	—
Utilised during the period	—	—
Amount on account of entities acquired during the year	<b>3,665.16</b>	—
	<b>64,379.05</b>	60,713.89
Debenture redemption reserve		
Balance as per last financial statements	<b>9,175.00</b>	13,475.00
Add / (Less) :		
Amount transferred from surplus balance in the Statement of Profit and Loss	—	—
Amount transferred to general reserve	<b>(794.00)</b>	(4,300.00)
	<b>8,381.00</b>	9,175.00
General reserve		
Balance as per last financial statements	<b>25,271.21</b>	20,971.21
Add / (Less) :		
Amount transferred from debenture redemption reserve	<b>794.00</b>	4,300.00
	<b>26,065.21</b>	25,271.21
Capital reserve		
Balance as per last financial statements	<b>5,785.21</b>	5,802.49
Add / (Less) :		
Amount adjusted on dilution of subsidiaries	—	(17.28)
	<b>5,785.21</b>	5,785.21
Surplus in the Statement of Profit and Loss		
Balance as per last financial statements	<b>61,690.75</b>	60,766.27
Profit / (Loss) for the year (including share in joint ventures)	<b>(2,874.27)</b>	73.65
Reversal of proposed equity dividend and tax thereon (Refer footnote a)	—	850.97
Less: Appropriations:		
Adjustment in surplus on account of change in depreciation method	<b>5.78</b>	0.14
Total appropriations	<b>5.78</b>	0.14
Net surplus in the Statement of Profit and Loss	<b>58,810.69</b>	61,690.75
<b>Total</b>	<b>163,421.16</b>	162,636.06

### Footnotes:

- In the Twenty Sixth Annual General Meeting of the Company held on 25th September, 2014, the motion for declaration of dividend on equity shares for the year ended March 31, 2014 was lost. Consequently no dividend was paid to the shareholders and hence the proposed equity dividend and tax thereon has been reversed during the previous year.
- The Company, owing to liquidity crunch, has not invested / deposited ₹ 1257.61 lakhs (P.Y. ₹ 1382.46 lakhs) in the manner prescribed under Rule 18(7) (c) of the Companies (Share Capital and Debentures) Rules, 2014 notified by the Ministry of Corporate Affairs.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	Non Current		Current	
	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '6'</b>				
<b>LONG-TERM BORROWINGS</b>				
Debentures (Secured):				
419,970 (P.Y. 419,970) Zero Coupon Compulsorily Convertible Debentures of the face value of ₹100/- each (Refer footnote a)	<b>419.97</b>	419.97	—	—
4,000,000 (P.Y. 4,000,000) Compulsorily Convertible Debentures of the face value of ₹100/- each (Refer footnote b)	<b>4,000.00</b>	4,000.00	—	—
300 (P.Y. Nil) Redeemable Non-Convertible Debentures of the face value of ₹10,00,000 each (Refer footnote c)	<b>2,870.10</b>	—	—	—
10,000 (P.Y. 10,000) Redeemable Non-Convertible Debentures of the face value of ₹100,000/- each (Refer footnote d)	—	—	<b>5,884.07</b>	6,716.40
Term loans (Secured):				
From Banks (Refer footnote e)	<b>13,110.47</b>	38,459.10	<b>46,331.63</b>	27,412.72
From Financial Institution (Refer footnote f)	<b>27,300.00</b>	4,400.00	—	600.00
From other companies	—	4,100.00	—	10,000.00
Other loans and advances:				
Loan from others (Secured) (Refer footnote g)	<b>58.45</b>	6,898.27	<b>42.82</b>	45.35
	<b>47,758.99</b>	58,277.34	<b>52,258.52</b>	44,774.47
Share in Joint Ventures	<b>170,077.49</b>	17,274.14	<b>7,286.82</b>	4,321.04
Amount disclosed under "Other Current Liabilities" (Refer note '11')			<b>(59,545.34)</b>	(49,095.51)
<b>Total</b>	<b>217,836.48</b>	75,551.48	—	—

### Footnotes:

- 419,970, 0% Compulsorily Convertible Debentures of ₹100/- each to be converted on or before 28th March, 2020, i.e. not later than five years from the date of allotment. These debentures will be converted into 4,199,700 number of equity shares of the face value of ₹10/- each.
- 17.75% debentures of ₹4,000 lakhs have a term of 84 months from the issue date (20,00,000 debentures issued on 1st February, 2013 and 20,00,000 debentures issued on 10th June, 2013). The same may be converted into Class "B" shares in whole or in part at the option of the investor but not before the expiry of 36 months.
- 22% unlisted, unrated, dematerialized, secured, redeemable, non-convertible debentures (NCDs) for cash at par, on a private placement basis. The maximum outstanding principal amount of NCDs from the date of first disbursement will not exceed at the end of 12 months 94% of the issue size, 24 months 88%, 36 months 44% and at the end of 48 month Nil of the issue size. These debentures are secured by personal guarantees of the promoters of Hubtown Limited.
- 20% Debentures of ₹1,00,000 each have been restructured as per third consent terms dated 17th February, 2016 @ 22%, of which last instalment is to be redeemed on or before 23rd December, 2016. The said debentures are secured by first and exclusive charge on the premises located at MIDC, Andheri (East), project located at Andheri (West), Mumbai and secured against pledge of equity shares in the Company held by the promoters of Hubtown Limited.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '6' (Contd.)

e. Secured term loans from banks carry interest rates within a range of 12.70% to 15.50 %. The nature of securities are:

Name of lenders		Security Offered (Further Secured by personal guarantee of one or more promoters)	
1.	Bank of Maharashtra	i. ii.	Mortgage on land and structures of projects located in Andheri (East), Bandra (East) and Pune. First charge by way of escrow of receivables from above projects.
2.	UCO Bank	i. ii. iii.	Mortgage on land and structures thereto in respect of projects at Mulund and Thane. Registered mortgage of the premises in the project located at Andheri (East), Mumbai. First charge on lease rent receivables from above premises.
3.	Dena Bank	i. ii. iii. iv.	Mortgage of unsold area of commercial project at Andheri (East), Mumbai. First charge by way of escrow of receivables from above project. Registered mortgage of the premises in the project located at Mahalaxmi, Mumbai. First charge on lease rent receivables from above premises.
4.	Oriental Bank of Commerce	i. ii.	Mortgage of unsold units of residential projects located in Andheri (East). First charge by way of escrow of receivables from above projects.
5.	Union Bank of India	i. ii.	Registered mortgage of the premises in the project located at Mahalaxmi, Mumbai. First charge on lease rent receivables from above premises.
6.	United Bank of India	i. ii.	Registered mortgage of the premises in the project located at Andheri (East). First charge on lease rent receivables from above premises.

- f. i) Secured loan from financial institution carries IRR of 36.82%. This loan is secured against pledge of equity shares in the Company held by the promoters alongwith personal guarantees of the promoters and mortgage of the premises in the project located at Andheri (West).
- ii) An amount of ₹15,000 lakhs carries interest rate of 21%, repayable in quarterly instalments starting from 30th September, 2019. This amount is secured by mortgage of land and structures on the projects located at Andheri (East), Matunga (East), Kelavali, Ghodivali, Raigad, Mulund, Khalapur and Majiwade, Thane; first charge on the receivables and escrow account collections from the above projects; irrevocable and unconditional personal guarantee(s) of the promoters of Hubtown Limited; corporate guarantees of Heet Builders Private Limited and Citygold Education Research Limited; pledge of shares of Heet Builders Private Limited and Citygold Education Research Limited held by Hubtown Limited and pledge of 70,00,000 shares of Hubtown Limited held by the promoters.
- iii) An amount of ₹2,000 Lakhs carries interest rate in the range of 20% to 26% per annum respectively.
- g. Secured loans of ₹101.27 lakhs are vehicle loans from others, which carry interest rates within a range of 10% to 11% and are repayable by January, 2019.
- h. Details of repayment of long term borrowings are as follows :

Particulars	Up to 1 year	2 to 5 years	Above 5 years	Total
Debentures	5,884.07	7,290.07	—	13,174.14
Term loan from Banks	46,331.63	10,886.99	2,223.48	59,442.10
Term loan from Financial Institution	—	27,300.00	—	27,300.00
Loans from Others	42.82	58.45	—	101.27
<b>Total</b>	<b>52,258.52</b>	<b>45,535.51</b>	<b>2,223.48</b>	<b>100,017.51</b>

i. Period and amount of continuing default as on Balance Sheet date in repayment of term loans and interest :

Particulars	31 March, 2016		31 March, 2015	
	Amount	Period	Amount	Period
<b>Term loans from Banks</b>				
Overdue instalments	4,961.75	Jan 16 to Mar 16	839.74	Jan 15 to Mar 15
Interest	1,533.07	Jan 16 to Mar 16	967.31	Jan 15 to Mar 15
Overdue instalments	5,427.86	Sep 15 to Mar 16	—	—
Interest	1,657.30	Sep 15 to Mar 16	—	—
Overdue instalments	12,701.02	Apr 15 to Mar 16	—	—
Interest	1,735.32	Apr 15 to Mar 16	—	—
Overdue instalments	51.15	Before Apr 15	—	—
<b>Term loans from Financial Institution</b>				
Interest (Net of TDS)	394.17	Jan 16 to Mar 16	171.23	Sep 14 to Mar 15
<b>Total</b>	<b>28,461.64</b>		<b>1,978.28</b>	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

<b>NOTE '7'</b>	<b>31 March, 2016 (₹ in lakhs)</b>	31 March, 2015 (₹ in lakhs)
<b>OTHER LONG TERM LIABILITIES</b>		
Payable against land procurement	<b>744.59</b>	744.59
Retention money payable	<b>2,043.46</b>	1,715.33
Debenture Redemption Premium payable	<b>719.71</b>	—
Security Deposits from customers	<b>143.52</b>	309.18
Other payables	<b>0.58</b>	4.06
	<b>3,651.86</b>	2,773.16
Share in Joint Ventures	<b>1,489.14</b>	3,845.14
<b>Total</b>	<b>5,141.00</b>	6,618.30

<b>NOTE '8'</b>	<b>Long term</b>		<b>Short term</b>	
	<b>31 March, 2016 (₹ in lakhs)</b>	31 March, 2015 (₹ in lakhs)	<b>31 March, 2016 (₹ in lakhs)</b>	31 March, 2015 (₹ in lakhs)
<b>PROVISIONS</b>				
<b>Provisions for employee benefits</b>				
Provision for gratuity	<b>84.37</b>	—	<b>141.92</b>	143.56
Provision for leave benefit	<b>198.24</b>	159.92	<b>9.65</b>	16.06
<b>Other provisions</b>				
Provision for Income tax (Net of advance tax)	—	—	<b>41.20</b>	153.50
Provision for Wealth tax	—	—	<b>7.65</b>	12.91
	<b>282.61</b>	159.92	<b>200.42</b>	326.03
Share in Joint Ventures	<b>15.51</b>	103.39	<b>141.76</b>	22.14
<b>Total</b>	<b>298.12</b>	263.31	<b>342.18</b>	348.17

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '9'

#### SHORT TERM BORROWINGS

Debentures (Secured):

C.Y. Nil (P.Y. 250) Redeemable Non-Convertible Debentures of the face value of ₹10,00,000/- each (Refer footnote a)

Working capital loan from Bank (Secured) (Refer footnote b)

Short term loan :

— from financial institution (Secured) (Refer footnote c)

Loans repayable on demand:

— from companies (Secured) (Refer footnote d)

— from companies (Unsecured) (Refer footnote e)

— from others (Unsecured) (Refer footnote e)

Loans from related parties (Unsecured)

Share in Joint Ventures

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
	—	2,500.00
	<b>1,413.18</b>	1,628.42
	<b>4,950.00</b>	—
	<b>12,487.78</b>	7,738.41
	<b>15,964.17</b>	15,594.26
	<b>25,611.36</b>	17,768.08
	<b>1,487.29</b>	—
	<b>61,913.78</b>	45,229.17
	<b>13,122.31</b>	12,488.77
<b>Total</b>	<b>75,036.09</b>	57,717.94

Footnotes:

a. 250 21% Redeemable, Non-Convertible Debentures of the face value of ₹10,00,000/- each, which matured on 27th March, 2016 and remained unpaid, has been disclosed as Unpaid Matured Debentures in Other Current Liabilities.

b. Working capital loan from bank carries interest rate of 15.45 % p.a. (P.Y. 15.44 %). This loan is secured against mortgage of premises located at MIDC, Andheri (East), Mumbai and further secured by personal guarantees of one or more promoters.

Name of lender	Security Offered
Canara Bank	Mortgage of the premises at MIDC Andheri (East), Mumbai and further secured by personal guarantee of one or more promoters.

c. Secured loan from financial institution carries interest rate of 18% p.a. This loan is secured against pledge of equity shares in the Company held by the promoters alongwith personal guarantees of promoters and mortgage of premises in the project located at Andheri (East).

d. i) Out of ₹12,487.78 lakhs being loans from companies, an amount of ₹1,448 lakhs carries interest rate of 21% and is repayable on demand. Further, a loan from a company amounting to ₹ 5,925.00 lakhs is interest free. These loans are secured against mortgage of unsold area of the commercial project at Andheri (East), Jogeshwari and secured against pledge of equity shares in the Company held by the promoters.

ii) An amount of ₹5,115.00 lakhs is secured against mortgage of premises in the project located at Dadar (West).

e. Unsecured loans from companies and others carry interest rates within a range of 0% to 36% and are repayable on demand.

f. Period and amount of default as on Balance Sheet date in repayment of term loans and interest :

Particulars	31 March, 2016		31 March, 2015	
	(₹ in lakhs)	Period	(₹ in lakhs)	Period
<b>Short term loans from Financial Institution</b>				
Overdue instalments	—	—	—	—
Interest (Net of TDS)	<b>74.60</b>	—	—	—
<b>Total</b>	<b>74.60</b>		—	

### NOTE '10'

#### TRADE PAYABLES

Trade payables

Share in Joint Ventures

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
	<b>14,411.07</b>	15,338.43
	<b>8,923.63</b>	7,281.01
<b>Total</b>	<b>23,334.70</b>	22,619.44



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	<b>31 March, 2016</b> ₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '11'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debts (Refer note 6)	<b>52,258.52</b>	44,774.47
Interest accrued and due on borrowings	<b>10,965.01</b>	5,558.16
Interest accrued but not due on borrowings	<b>2,105.43</b>	141.66
Overdrawn bank balances as per books of account	<b>381.68</b>	164.05
Advances from customers	<b>50,066.90</b>	39,640.96
Unpaid matured debentures and interest accrued thereon (Refer footnote)	<b>3,526.49</b>	—
Business advances received from related parties	<b>632.16</b>	875.00
Investor Education and Protection Fund will be credited by the following amounts/as and when due:		
— Unclaimed/unpaid dividends	<b>3.88</b>	4.30
Other payables :		
— Statutory dues	<b>6,751.21</b>	5,836.74
— Current account balance in Firms and Joint Ventures	<b>11,797.47</b>	16,418.96
— Employees benefit payables	<b>315.26</b>	203.45
— Security Deposits (Refundable)	<b>12,096.40</b>	9,474.69
— On account of Equity Shares with differential voting rights and Preference Shares of jointly controlled entities	<b>4,921.48</b>	17,319.34
— Other miscellaneous	<b>9,481.01</b>	7,205.07
	<b>165,302.90</b>	147,616.85
Share in Joint Ventures	<b>46,951.03</b>	21,430.77
<b>Total</b>	<b>212,253.93</b>	169,047.62

Footnote:

Period and amount of default as on the Balance Sheet date in respect of matured debentures and interest accrued thereon:

Particulars	31 March, 2016		31 March, 2015	
	(₹ in lakhs)	Period	(₹ in lakhs)	Period
Overdue Instalments:				
250 (P.Y. Nil) 21% Redeemable, Non-Convertible Debentures of the face value of ₹ 10,00,000 each	<b>2,500.00</b>	<b>March-16</b>	—	—
Interest:				
250 (P.Y. Nil) 21% Redeemable, Non-Convertible Debentures of the face value of ₹ 10,00,000 each	<b>1,026.49</b>	<b>April 2014 to March 2016</b>	—	—
<b>Total</b>	<b>3,526.49</b>		—	—

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '12'

#### FIXED ASSETS

(₹ in lakhs)

SR. NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31st March, 2015	Additions / (Adjustments)	Deductions / Adjustments	As at 31st March, 2016	Upto 31st March, 2015	Provided during the year	Deductions / Adjustments	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>A.</b>	<b>Tangible Assets</b>										
	Free hold land	2.92	—	—	<b>2.92</b>	—	—	—	—	<b>2.92</b>	2.92
	Leasehold Land	1,855.30	—	—	<b>1,855.30</b>	37.27	4.25	—	<b>41.52</b>	<b>1,813.78</b>	1,818.03
	Commercial Premises (Refer footnote a & b)	1,186.89	—	—	<b>1,186.89</b>	258.48	23.19	—	<b>281.67</b>	<b>905.22</b>	928.41
	Mivan System	366.39	—	—	<b>366.39</b>	345.27	2.80	—	<b>348.07</b>	<b>18.32</b>	21.12
	Plant and Machinery	143.15	—	—	<b>143.15</b>	44.79	8.30	—	<b>53.09</b>	<b>90.06</b>	98.36
	Computer	50.56	1.58	—	<b>52.14</b>	43.88	5.73	—	<b>49.61</b>	<b>2.53</b>	6.68
	Furniture and Fixtures (Refer footnote c)	657.85	0.17	—	<b>658.02</b>	408.03	58.62	—	<b>466.65</b>	<b>191.37</b>	249.82
	Vehicles	957.12	15.52	10.66	<b>961.98</b>	554.08	74.07	10.66	<b>617.49</b>	<b>344.49</b>	403.04
	Office equipment (Refer footnote d)	178.82	8.57	—	<b>187.39</b>	114.31	38.29	—	<b>152.60</b>	<b>34.79</b>	64.51
		5,399.00	25.84	10.66	<b>5,414.18</b>	1,806.11	215.25	10.66	<b>2,010.70</b>	<b>3,403.48</b>	3,592.89
	Share in Joint Venture (Refer footnote e)	—	—	—	—	—	—	—	—	<b>496.88</b>	429.28
	<b>Total A</b>	5,399.00	25.84	10.66	<b>5,414.18</b>	1,806.11	215.25	10.66	<b>2,010.70</b>	<b>3,900.36</b>	4,022.17
<b>B.</b>	<b>Intangible Assets:</b>										
	Computer software	535.76	—	—	<b>535.76</b>	535.56	0.20	—	<b>535.76</b>	<b>0.00</b>	0.20
	Technical Know-how	74.55	—	—	<b>74.55</b>	33.26	3.64	—	<b>36.90</b>	<b>37.65</b>	41.29
		610.31	—	—	<b>610.31</b>	568.82	3.84	—	<b>572.66</b>	<b>37.65</b>	41.49
	Share in Joint Ventures	—	—	—	—	—	—	—	—	<b>16.12</b>	16.49
	<b>Total B</b>	610.31	—	—	<b>610.31</b>	568.82	3.84	—	<b>572.66</b>	<b>53.77</b>	57.98
<b>C.</b>	<b>Capital Work-in-progress:</b>									<b>1,408.35</b>	1,241.30
	Share in Joint Venture	—	—	—	—	—	—	—	—	<b>100.09</b>	60.45
	<b>Total C</b>	—	—	—	—	—	—	—	—	<b>1,508.44</b>	1,301.75
	<b>GRAND TOTAL (A+B+C)</b>	6,009.31	25.84	10.66	<b>6,024.49</b>	2,374.93	219.09	10.66	<b>2,583.36</b>	<b>5,462.57</b>	5,381.90

#### Footnotes:

- Commercial premises includes cost of shares aggregating ₹ 0.04 lakhs (P.Y. ₹ 0.04 lakhs) carrying the occupancy rights in the commercial premises.
- Lease hold land and commercial premises deduction / adjustment includes ₹ Nil (P.Y. ₹ 1035.94 lakhs) transferred to Investment properties.
- Furniture & Fixtures includes ₹ Nil (P.Y. ₹ 5.61 lakhs) on account of acquisition.
- Office Equipment includes ₹ Nil (P.Y. ₹ 1.21 lakhs) on account of acquisition
- The Company has transferred its land to inventories since the construction activity of the project of the Company has started.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '13'</b>		
<b>NON CURRENT INVESTMENTS (AT COST)</b>		
<b>(Trade, unless otherwise specified)</b>		
<b>A) Investment properties (At cost less accumulated depreciation / amortisation)</b>		
Cost of land and building held for lease and capital appreciation	5,316.52	5,049.57
Acquisition/ adjustment of Investment Property	185.78	1,035.95
Transfer to opening inventory on account of sale during the year	—	(687.00)
Adjustment on account of reversal of provision	—	(82.00)
	<b>5,502.30</b>	5,316.52
Accumulated depreciation / amortisation	973.93	737.17
Provided during the year	147.44	151.43
Addition/ adjustment on account of reclassification of fixed assets	—	130.31
Deduction on account of sale / transfer / adjustment	—	(44.98)
	<b>1,121.37</b>	973.93
Share in joint ventures	—	—
<b>Sub-total</b>	<b>4,380.93</b>	4,342.59
<b>B) Investment in equity instruments (At cost) (unquoted)</b>		
<b>I. Associate Companies</b>		
a) 8,000 Equity Shares of ₹ 10/- each (P.Y. 8,000)		
<b>Pristine Developers Private Limited</b>	—	0.80
Share of Accumulated Reserves / Profit / (Loss)	—	1,363.11
Share of Current Profit / (Loss)	—	144.16
	—	1,508.07
b) 25,000 Equity shares of ₹ 10/- each (P.Y. 25,000)		
<b>Whitebud Developers Limited</b>	2.50	2.50
Share of Accumulated Reserves / Profit / (Loss)	(2.50)	(2.50)
Share of Current Profit / (Loss)	—	—
	—	—
c) Current Year: Nil (P.Y. 5,000 Equity Shares of ₹ 10/- each)		
<b>Harbinger Developers Private Limited</b>	—	0.50
Share of Accumulated Reserves/Profit/(Loss)	—	(0.50)
Share of Current Profit / (Loss)	—	—
	—	—
d) 5,000 Equity shares of ₹ 10/- each (P.Y. 5,000)		
<b>Shubhsiddhi Builders Private Limited</b>	0.50	0.50
Share of Accumulated Reserves/Profit / (Loss)	—	(0.50)
Share of Current Profit / (Loss)	—	—
	<b>0.50</b>	—
<b>c / f</b>	<b>0.50</b>	1,508.07

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '13' (Contd.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>b / f</b>	<b>0.50</b>	1,508.07
e) 4,350 Equity shares of ₹ 10 /- each ( P.Y. 4,350) <b>Yellowcity Builders Private Limited</b>	<b>2.22</b>	0.44
Share of Accumulated Reserves / Profit / (Loss)	—	3.64
Share of Current Profit / (Loss)	<b>(2.22)</b>	0.83
	—	4.91
f) 6,095 Equity shares of ₹ 10 /- each ( P.Y. 6,095) <b>Vinca Developer Private Limited</b>	<b>0.61</b>	0.61
Share of Accumulated Reserves / Profit / (Loss)	<b>(0.61)</b>	(0.61)
Share of Current Profit / (Loss)	—	—
(Includes Goodwill ₹ 159.92 lakhs)	—	—
g) Current Year: 7,353 Class "B" Equity shares of ₹ 10 /- each ( P.Y. Others) <b>Giraffe Developers Private Limited</b>	<b>5,004.79</b>	—
Share of Accumulated Reserves / Profit / (Loss)	—	—
Share of Current Profit / (Loss)	—	—
	<b>5,004.79</b>	—
h) Current Year: Nil Equity shares of ₹ 10 /- each ( P.Y. 275,000) <b>Comral Realty Private Limited</b>	—	45.21
Share of Accumulated Reserves / Profit / (Loss)	—	(16.51)
Share of Current Profit / (Loss)	—	(25.88)
	—	2.82
	<b>5,005.29</b>	1,515.80
<b>II. Others</b>		
a) 240 Equity shares of ₹ 100/- each (P.Y. 240) <b>Citygold Management Services Private Limited</b>	<b>0.24</b>	0.24
b) 37,815 Equity shares of ₹ 10/- each (P.Y. 37,815) <b>Janakalyan Sahakari Bank Limited</b>	<b>3.78</b>	3.78
c) 766 Class 'A' Equity shares of ₹ 500/-each (P.Y. 766) <b>Dharni Properties Private Limited</b>	<b>3.83</b>	3.83
d) 6,000 Class 'B' Equity shares of ₹ 50/- each (P.Y. 6,000) <b>Hogmanay Niharika Buildings Limited</b>	<b>3.00</b>	3.00
e) 150 Equity shares of ₹ 29/- each (P.Y. 150) <b>Shamrao Vithal Co-operative Bank Limited</b>	<b>0.04</b>	0.04
f) Current Year: Nil Class 'B' Equity shares of ₹ 10 each (P.Y. 7,353) <b>Giraffe Developers Private Limited</b>	—	5,004.79
g) 2,000 Equity shares of ₹ 10/- each (P.Y. 2,000) <b>Suraksha Realty Limited</b>	<b>0.20</b>	0.20
h) 1 Equity share of ₹ 100,000/- each (P.Y. 1) <b>E-Commerce Magnum Solution Limited</b>	<b>1.00</b>	1.00
i) 150,000 Equity shares of ₹ 10/- each (P.Y. 150,000) <b>Asha Multitrade Private Limited (Refer footnote a)</b>	<b>1,500.00</b>	1,500.00
j) 270,000 Equity shares of ₹ 10/- each (P.Y. 270,000) <b>Jineshwar Multitrade Private Limited (Refer footnote a)</b>	<b>2,700.00</b>	2,700.00
	<b>4,212.09</b>	9,216.88
<b>Total (I+II)</b>	<b>9,217.38</b>	10,732.68

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '13' (Contd.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>C) Investment in Preference Shares (At Cost)</b>		
a) 6,671, 21% Cumulative Convertible Preference Shares of ₹ 100,000/- each (P.Y. 6,671) <b>E-Commerce Magnum Solution Limited</b>	<b>6,671.00</b>	6,671.00
	<b>6,671.00</b>	6,671.00
<b>D) Investment in Debentures (At Cost) (Unquoted)</b>		
a) 31,910,000 9% Optionally convertible debentures of ₹ 10/- each (P.Y. 31,910,000) <b>Asmeeta Infratech Limited</b>	<b>3,191.00</b>	3,191.00
b) Current Year: 8989634, Compulsorily convertible debentures of ₹100/- each (P.Y. Nil) <b>Citygold Investments Private Limited</b>	<b>8,989.63</b>	—
	<b>12,180.63</b>	3,191.00
<b>E) Investment in Mutual Funds (At cost) (Other than Trade) (Quoted)</b>		
<b>Growth Option:</b>		
a) Current Year: Nil units of <b>Canara Robeco Dynamic Bond Fund</b> (P.Y. 373,771.464) [Current Year: Nil (P.Y. NAV ₹ 5,934,968)]	—	53.00
b) 214,423.564 units of <b>Canara Robeco Medium Term Opportunities Fund — Regular Growth Plan</b> (P.Y. 37,942.441 units) [NAV ₹ 2,604,881/- (P.Y. ₹ 430,408)]	<b>25.00</b>	3.99
c) Current year: Nil <b>ICICI Prudential Short Term Plan — Regular Growth</b> (P.Y. 175,550.703 units) [NAV ₹ Nil (P.Y. ₹5,025,929)]	—	50.00
	<b>25.00</b>	106.99
<b>F) Investment in Bonds (Other than trade) (Refer footnote b)</b>		
<b>Sunstream City Private Limited</b>	<b>46,468.50</b>	—
Current Year: 3913310, Deep Discount Bonds issued @ ₹2,090/- of face value ₹10,000/-. Tenure of 9 Years. (P.Y. Nil)		
<b>G) Capital Investment in Non Controlling Joint Venture (Net)</b>	<b>7,571.38</b>	14.68
Less: Provision for diminution in the value of investments	—	1.60
	<b>7,571.38</b>	13.08
<b>Total (B+C+D+E+F+G)</b>	<b>82,133.89</b>	20,714.75
Share in Joint Ventures	<b>3.72</b>	2.99
<b>Sub-total</b>	<b>82,137.61</b>	20,717.74
<b>Total</b>	<b>86,518.54</b>	25,060.33
Aggregate amount of quoted investments	<b>25.00</b>	106.99
Aggregate amount of unquoted investments [Net of provision for diminution in the value of investments ₹1.60 lakhs (P.Y. ₹1.60 lakhs)]	<b>82,112.61</b>	20,610.75

### Footnotes:

- Other investments includes investments in two step down subsidiaries whose financial statements as on 31st March, 2016 are not available. The investments by the subsidiaries of the Company into the two Step-down Subsidiaries are purely temporary in nature. Further, the Company does not exert control on the Management of those companies. According to the management the two Step-down Subsidiaries are going concerns and the non-consolidation of the same shall not have any major impact on the consolidated profit/loss and net worth. The management is of the view that there is no permanent diminution in the value of such long term investments. Further, due to non-availability of financial statements of the step down subsidiaries, the same are not considered for the purpose of consolidation.
- The Issuer Company is in the process of having the Deep Discount Bonds listed on the Wholesale Debt Market Segment of BSE Limited.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '14'

#### DEFERRED TAX ASSETS (NET)

##### Deferred Tax Liability

Fixed Assets : Impact of difference between depreciation as per the Income Tax Act, 1961 and depreciation / amortisation as per the Companies Act, 2013.

##### Gross deferred tax liability

##### Deferred Tax Asset

Fixed Assets : Impact of difference between depreciation as per the Income Tax Act, 1961 and depreciation / amortisation as per the Companies Act, 2013.

Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis

Provisions for doubtful debts /advances

Others

##### Gross deferred tax asset

Share in Joint Ventures

31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
(79.41)	(28.16)
(79.41)	(28.16)
—	0.28
3,121.52	2,922.30
86.13	83.35
—	—
3,207.65	3,005.93
0.28	—
<b>3,128.52</b>	<b>2,977.77</b>

**Total**

#### Non Current

#### Current

### NOTE '15'

#### LOANS AND ADVANCES

Capital Advances (Unsecured, considered good)

- to related parties

- to others

Advances to land owners (Unsecured, considered good)

Security deposits:

(Unsecured, considered good)

Loans and advances (Unsecured, considered good)

- to related parties

- to others

Project advances:

- to related parties

- to others

Advances recoverable in cash or kind

(Unsecured, considered good)

- to related parties

- to others (Refer footnote)

Doubtful

Less: Provision for doubtful advances

Prepaid expenses

Unamortised ancillary cost of arranging the borrowings

Other loans and advances:

Loans to others

Advance income tax

Loans to employees

Balances with Statutory / Government Authorities

Share in Joint Ventures

**Total**

	Non Current		Current	
	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
Capital Advances (Unsecured, considered good)				
- to related parties	4,748.00	7,950.00	—	—
- to others	1,681.00	1,981.00	—	—
Advances to land owners (Unsecured, considered good)	5,060.80	5,646.18	10,461.79	10,435.56
Security deposits:				
(Unsecured, considered good)	62.94	66.73	191.95	186.19
Loans and advances (Unsecured, considered good)				
- to related parties	—	—	1,824.76	1,276.59
- to others	—	—	548.56	15,829.95
	—	—	2,373.32	17,106.54
Project advances:				
- to related parties	5,276.09	44,262.81	—	353.84
- to others	—	—	893.75	938.62
Advances recoverable in cash or kind				
(Unsecured, considered good)				
- to related parties	—	—	5,721.78	3,800.29
- to others (Refer footnote)	11,202.68	31,502.60	11,997.31	3,652.85
Doubtful	248.89	256.89	—	—
Less: Provision for doubtful advances	(248.89)	(256.89)	—	—
	11,202.68	31,502.60	17,719.09	7,453.14
Prepaid expenses	28.89	30.46	54.05	352.76
Unamortised ancillary cost of arranging the borrowings	652.84	33.40	316.82	882.27
Other loans and advances:				
Loans to others	6,583.57	8,128.76	4,512.80	3,719.36
Advance income tax	2,327.86	1,496.59	644.75	1,217.70
Loans to employees	—	—	1.88	2.75
Balances with Statutory / Government Authorities	—	—	103.69	—
	9,593.16	9,689.21	5,633.99	6,174.84
	37,624.67	101,098.53	37,273.89	42,648.73
Share in Joint Ventures	2,666.91	911.64	22,887.72	13,211.46
<b>Total</b>	<b>40,291.58</b>	<b>102,010.17</b>	<b>60,161.61</b>	<b>55,860.19</b>

#### Footnote:

Advances to others includes ₹ 1,000 lakhs (P.Y. ₹ Nil) deposited with the Hon'ble Sessions Court, Mumbai and the Company has tendered an undertaking to the Hon'ble Sessions Court to deposit an aggregate sum of ₹ 5,900 lakhs in 12 monthly instalments beginning with February 2016 in connection with a commercial transaction with an erstwhile associate company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	Non Current		Current	
	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '16'</b>				
<b>OTHER ASSETS</b>				
Non current bank balance (Refer note 20)	714.19	1,121.01	—	—
Unbilled revenue	—	—	4,707.58	4,422.41
Other receivables (Other than trade)	5,146.90	6,000.00	2,739.27	1,771.37
Unamortised premium on Debentures	539.78	—	179.93	—
Others :				
- Interest accrued on fixed deposits	28.88	25.19	99.77	422.22
- Interest accrued on investments	264.84	—	918.72	840.17
	6,694.59	7,146.20	8,645.27	7,456.17
Share in Joint Ventures	129,855.63	9,564.53	11,255.62	5,482.47
<b>Total</b>	<b>136,550.22</b>	<b>16,710.73</b>	<b>19,900.89</b>	<b>12,938.64</b>

### NOTE '17'

#### CURRENT INVESTMENTS

Current Investment in Partnership Firms and Joint Ventures  
(Trade, unless otherwise specified)

#### Investment in Equity Instrument (at Cost) (Unquoted)

8,000 Equity Shares of ₹ 10/-each (P.Y. Non current investment)  
Pristine Developers Private Limited

#### Investment in Mutual Funds (At cost) (Other than Trade) (Quoted)

##### Daily Dividend Option

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
- State Bank of India Mutual Fund 22,968 units (P.Y. 21,732 units) [NAV ₹ 38,472/- (P.Y. ₹ 36,502/-)]	0.38	0.37
- HDFC Cash Management Treasury Advantage Ret Monthly Divt 155,120.80 units (P.Y. 16365.43 units) [NAV ₹ 159,879/- (P.Y. ₹ 165,800/-)]	15.60	1.65
- ICICI Short Term Reg monthly Dividend Reinvestment 87576.863 units (P.Y. 87576.863 units) [NAV ₹ 1,117,066/- (P.Y. ₹ 1,055,572/-)]	10.52	10.52
- Kotak Equity Arbitrage Fund 143714.20 Units (P.Y. Nil) [NAV ₹ 1,543,620.34 (P.Y. Nil)]	15.44	—
- UTI Liquid Cash Plan daily dividend reinvestment Nil (P.Y. 21,167.611 Units) [NAV ₹ Nil (P.Y. ₹ 21,579,230)]	—	215.79

##### Growth Option

- ICICI Pru MIP 25 Reg Growth 16498.982 units (P.Y. 16498.982 units) [NAV ₹ 517,439/- (P.Y. ₹ 504,241/-)]	5.00	5.00
- UTI Short Term Inc Funds Growth Current Year: Nil (P.Y. 89831.655 units) [NAV ₹ Nil (P. Y. ₹ 1,508,732/-)]	—	15.00
	2,897.41	3,502.69

Share in Joint Ventures

**Total**

**2,897.41**

**3,502.69**

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '18'</b>		
<b>INVENTORIES</b>		
<b>(Valued at lower of cost and net realisable value)</b>		
Stock at site	160.11	452.36
Floor space index (FSI)	240.30	364.29
Incomplete projects	156,258.65	135,997.90
Finished properties	244.29	244.29
	<b>156,903.35</b>	137,058.84
Share in Joint Ventures	143,566.77	107,116.74
<b>Total</b>	<b>300,470.12</b>	<b>244,175.58</b>

Footnote:

The projects are under various stages of development and are expected to have net realisable value greater than the cost.

	Current	
	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '19'</b>		
<b>TRADE RECEIVABLES</b>		
<b>Trade receivables (Unsecured Considered Good)</b>		
Outstanding for a period exceeding six months	8,531.21	5,456.68
Other receivables	8,052.96	7,476.32
	<b>16,584.17</b>	12,933.00
Share in Joint Ventures	3,282.15	5,310.08
<b>Total</b>	<b>19,866.32</b>	<b>18,243.08</b>

	Non Current		Current	
	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '20'</b>				
<b>CASH AND BANK BALANCES</b>				
Cash and Cash Equivalents:				
Cash on hand			89.63	87.53
Balances with banks:				
- In Current accounts			1,446.88	2,042.22
- Deposits with maturity of less than three months			147.59	257.01
			<b>1,684.10</b>	2,386.76
Share in Joint Ventures			1,050.16	794.97
			<b>2,734.26</b>	3,181.73
Other Bank Balances:				
Unpaid dividend accounts			3.92	4.89
Deposits with maturity of more than three months but less than twelve months			645.07	25.88
Deposits with maturity of more than twelve months (Refer footnote)	314.66	312.00	40.07	37.50
Margin Money Deposits (Refer footnote)	399.53	809.01	818.56	1,216.19
	<b>714.19</b>	1,121.01	<b>1,507.62</b>	1,284.46
Share in Joint Ventures	247.14	293.85	262.09	1,160.71
	<b>961.33</b>	1,414.86	<b>1,769.71</b>	2,445.17
Amount disclosed under "Other Non-Current Assets" (Refer note 16)	(961.33)	(1,414.86)	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>4,503.97</b>	<b>5,626.90</b>

Footnote:

Balances with banks in margin money and fixed deposits are kept as security for guarantees / other facilities.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '21'</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sales from Operations:</b>		
Sale of properties / rights in projects (Net) (Refer footnote a)	35,808.12	29,875.10
Gain / (Loss) on cessation / sale / conversion of shares in Subsidiaries / Joint Ventures	2,851.65	2,406.50
Share of profit / (loss) from non-controlling joint venture	15.36	(6.06)
	<b>38,675.13</b>	32,275.54
<b>Other Operating Income:</b>		
Lease rentals	326.19	344.11
Income from investments in joint ventures developing real estate projects (Refer footnote b)	274.08	677.15
Miscellaneous Income	777.31	151.01
	<b>1,377.58</b>	1,172.27
	<b>40,052.71</b>	33,447.81
Share in Joint Ventures	5,051.47	10,878.27
<b>Total</b>	<b>45,104.18</b>	44,326.08
Footnotes:		
a. Sale of properties is net of revenue recognised in earlier years, amounting to Current Year ₹ 2,433.00 lakhs (P.Y. ₹ 20,075.45 lakhs) on account of reversal of revenue recognised in earlier years.		
b. Includes premium, discount and interest on investments made in debentures, bonds, loans and advances.		
<b>NOTE '22'</b>		
<b>OTHER INCOME</b>		
Dividend from current investments	1.57	64.60
Interest:		
- Loans	1,036.15	3,291.49
- Debentures	287.19	854.05
- Bank fixed deposits	182.59	245.05
- Others	91.58	147.15
	<b>1,597.51</b>	4,537.74
Surplus on sale / discardment of fixed assets (Net)	1.44	8.74
Surplus on sale of investments	15.39	2.27
Gain on foreign currency fluctuation	—	3.75
Provision for doubtful debts written back	8.00	685.04
Liabilities written back to the extent no longer required	1,367.55	1,534.51
Miscellaneous income	592.01	251.19
	<b>1,984.39</b>	2,485.50
	<b>3,583.47</b>	7,087.84
Share in Joint Ventures	695.94	2,377.08
<b>Total</b>	<b>4,279.41</b>	9,464.92

# HUBTOWN

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	<b>31 March, 2016</b> (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '23'</b>		
<b>COST OF CONSTRUCTION / DEVELOPMENT</b>		
Construction costs incurred during the year	<b>19,020.59</b>	15,050.80
Add / (Less):		
Transferred to capital work-in-progress during the year	—	—
	<b>19,020.59</b>	15,050.80
Share in Joint Ventures	<b>18,660.79</b>	5,610.47
<b>Total</b>	<b>37,681.38</b>	20,661.27
<b>NOTE '24'</b>		
<b>CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI</b>		
<b>Opening Inventory :</b>		
Floor space index (FSI)	<b>364.29</b>	646.09
Incomplete projects	<b>135,997.90</b>	115,318.85
Finished properties	<b>244.29</b>	244.29
	<b>136,606.48</b>	116,209.23
Add / (Less) :		
Written down value of finished property transferred from investment property sold during the year [Refer note 3 (vi) (c)]	—	642.01
Project Expenses written off	—	(676.98)
Reduction of inventory on account of dilution in subsidiary / projects	—	—
Addition to inventory on account of acquisition of subsidiaries / projects	—	6,540.20
	<b>136,606.48</b>	122,714.46
<b>Closing Inventory :</b>		
Floor space index (FSI)	<b>240.30</b>	364.29
Incomplete projects	<b>155,558.38</b>	135,997.90
Finished properties	<b>244.29</b>	244.29
	<b>156,042.97</b>	136,606.48
	<b>(19,436.49)</b>	(13,892.02)
Share in Joint Ventures	<b>(20,427.53)</b>	(9,274.44)
<b>Total</b>	<b>(39,864.02)</b>	(23,166.46)
<b>NOTE '25'</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, bonus, etc.	<b>1,893.01</b>	1,734.76
Contribution to provident and other funds	<b>90.45</b>	155.00
Staff welfare expenses	<b>43.22</b>	54.07
Other fund expenses	<b>6.49</b>	6.27
	<b>2,033.17</b>	1,950.10
Share in Joint Ventures	<b>575.61</b>	548.36
<b>Total</b>	<b>2,608.78</b>	2,498.46

# HUBTOWN

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '26'</b>		
<b>FINANCE COSTS</b>		
Interest:		
- Debentures	2,716.73	3,958.97
- Fixed loans	27,734.17	26,756.55
- Others	5,058.70	1,652.94
	<b>35,509.60</b>	<b>32,368.46</b>
Other borrowing costs	884.13	1,458.04
Delayed penal interest on loans and statutory dues	1,375.55	1,614.74
	<b>37,769.28</b>	<b>35,441.24</b>
Share in Joint Ventures	7,430.29	4,900.11
	<b>Total</b>	<b>Total</b>
	<b>45,199.57</b>	<b>40,341.35</b>
<b>NOTE '27'</b>		
<b>DEPRECIATION AND AMORTIZATION</b>		
Depreciation on tangible fixed assets	215.25	253.28
Amortization on intangible assets	3.84	82.03
Depreciation on investment properties	147.44	151.43
	<b>366.53</b>	<b>486.74</b>
Share in Joint Ventures	140.56	493.10
	<b>Total</b>	<b>Total</b>
	<b>507.09</b>	<b>979.84</b>
<b>NOTE '28'</b>		
<b>OTHER EXPENSES</b>		
Insurance	68.10	75.46
Rent	55.37	39.86
Rates and taxes (Refer footnote a)	1,236.21	1,928.48
Advertisement expenses	404.91	511.91
Advance and other debit balances written off	52.12	1,695.56
Donations (Refer footnote b)	—	639.73
Brokerage	365.08	350.87
Corporate Social Responsibility (CSR) activities (Refer footnote c)	45.71	100.00
Directors' fees and travelling expenses	25.59	20.58
Commission to non-executive directors	17.68	22.51
Provision for doubtful advances	0.92	—
Bad debts	49.67	—
Repairs and society maintenance charges	316.83	302.32
Legal and professional fees	681.93	514.78
Prospective projects written off	—	676.98
Other expenses	1,053.80	1,263.13
Loss on Foreign Currency fluctuation	0.85	—
Compensation on cancellation of flats	13.50	—
Interest on delayed payments	—	6.75
	<b>4,388.27</b>	<b>8,148.92</b>
Share in Joint Ventures	2,338.91	2,696.54
	<b>Total</b>	<b>Total</b>
	<b>6,727.18</b>	<b>10,845.46</b>

### Footnotes:

- Rates and taxes of F. Y. 2014-15 includes property tax of earlier years, which were in dispute.
- No donations have been given to political parties.
- The Company has issued a cheque for Corporate Social Responsibility (CSR) activities which is subject to realisation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '29'

#### PRIOR PERIOD ADJUSTMENTS (NET)

##### Debits relating to earlier years:

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
Finance costs	(67.60)	(196.69)
Legal and professional fees	—	(1.48)
Other expenses	(14.09)	(26.39)
Land Cost	—	(166.76)
<b>Credits relating to earlier years:</b>		
Interest	20.18	13.17
Other Income	18.76	6.27
Lease Income	—	4.00
	(42.75)	(367.88)
Share in Joint Ventures	(54.27)	(76.88)
<b>Total</b>	<b>(97.02)</b>	<b>(444.76)</b>

### NOTE '30'

#### EARNINGS PER SHARE (EPS)

	31 March, 2016 (₹ in lakhs) / (Nos.)	31 March, 2015 (₹ in lakhs) / (Nos.)
Net Profit / (Loss) as per Statement of Profit and Loss available for equity shareholders before extraordinary items and tax (₹)	(2,874.27)	(276.35)
Net Profit / (Loss) as per Statement of Profit and Loss available for equity shareholders after extraordinary items and tax (₹)	(2,874.27)	73.65
Weighted average number of equity shares outstanding during the year (Nos.)	72,735,871	72,735,871
Earnings per equity share (Nominal value per share ₹10/- each):		
Basic and Diluted before Extraordinary Items (in ₹)	(3.95)	(0.38)
Basic and Diluted after Extraordinary Items (in ₹)	(3.95)	0.10

(₹ in lakhs)

### NOTE '31'

#### EFFECT OF ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The effect of acquisition and disposal of subsidiaries on the financial position and results as included in the consolidated financial statements are given below:

	31 March, 2016		31 March, 2015	
	Acquisition	Disposal	Acquisition	Disposal
Net Asset	(1,184.34)	(793.41)	(971.71)	(1,013.67)
Total Revenue	(1,264.79)	—	20.67	460.98
Loss before tax	(196.90)	(1.80)	(3.29)	448.30
Loss after tax	(216.49)	(1.80)	(3.85)	429.40

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

	31 March, 2016 (₹ in lakhs)	31 March, 2015 (₹ in lakhs)
<b>NOTE '32'</b>		
<b>LEASE RENTAL INCOME IN RESPECT OF PREMISES GIVEN UNDER OPERATING LEASES</b>		
Operating lease obligations: The Company had given offices and other facilities under non cancellable operating leases for a period of thirty six months, which were renewable on a periodic basis with escalation ranging between 10% - 15% as per the terms of the agreements.		
Lease Rental Receivables:		
Not later than one year	143.67	130.11
Later than one year but not later than five years	86.95	50.59
Later than five years	—	—
<b>NOTE '33'</b>		
<b>CONTINGENT LIABILITIES (NOT PROVIDED FOR)</b>		
(A) Claims against the Company not acknowledged as debts on account of :		
1) Income tax matters under appeal	6,723.63	4,652.73
2) TDS liability on account of short deduction, short payment and interest thereon as per TRACES	253.17	1,101.49
3) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax)	256.45	42.04
4) Other Matters	73,556.79	69,078.19
(B) On account of corporate guarantees issued by the Company to bankers on behalf of other companies and joint ventures for facilities availed by them (excluding holding company's share in joint ventures)	37,956.43	22,785.25
(C) On account of land purchased in four subsidiaries, pending registration and other formalities under different statutes, for which confirmations are pending, with regards to consideration paid for the purchase of land through aggregator.	<b>Amount not ascertainable</b>	Amount not ascertainable
(D) Other commitments:		
Bank Guarantees given towards various projects	3,778.02	5,427.54
Towards undertaking given to the Hon'ble Sessions Court (Net of Advance ₹10 crores)	4,900.00	—

**Footnotes:**

- Further interest / penalty that may accrue on original demands are not ascertainable at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice are not sustainable.
- Contingent liabilities including corporate guarantees are identified by the Company and relied upon by the auditors.

**NOTE '34'**

The consolidated financial statements present the consolidated accounts of the Company with its Subsidiaries, Joint Ventures and Associates, which incorporate Ackruti Safeguard Systems Private Limited (ASSPL), a subsidiary of the Company whose commercial operations have commenced that are not material. The operations of this subsidiary will fall within a segment, separate from the existing one of Real Estate Development. However, consolidated segment information would be given once ASSPL operations become material. Further, the group operates within a single geographical segment.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35'

#### RELATED PARTIES DISCLOSURES

##### A. Names of related parties and description of relationship

###### I. Associates

- 1 Whitebud Developers Limited
- 2 Comral Realty Private Limited (Upto April 18, 2015)
- 3 Pristine Developers Private Limited
- 4 Shubhsiddhi Builders Private Limited
- 5 Vinca Developer Private Limited
- 6 Giraffe Developers Private Limited
- 7 Yellowcity Builders Private Limited (Upto March 21, 2016)

###### II. Jointly controlled entities

- 1 Joyous Housing Limited
- 2 Twenty Five South Realty Limited (Formerly known as Hoary Realty Limited)
- 3 Hubtown Bus Terminal (Mehsana) Private Limited
- 4 Hubtown Bus Terminal (Vadodara) Private Limited
- 5 Hubtown Bus Terminal (Adajan) Private Limited
- 6 Hubtown Bus Terminal (Ahmedabad) Private Limited
- 7 Hubtown Bus Terminal (Surat) Private Limited
- 8 Rare Townships Private Limited
- 9 Sunstream City Private Limited
- 10 Akruti Jay Chandan Joint Venture
- 11 Akruti GM Joint Venture
- 12 Akruti Realty Forefront Combine (Upto March 30, 2016)
- 13 Akruti Jay Developers
- 14 Shreenath Realtors
- 15 Akruti Kailash Constructions
- 16 Rising Glory Developers
- 17 Hiranandani Akruti JV (Upto April 01, 2015)
- 18 Akruti Steelfab Corporation
- 19 New Township Fintrade JV
- 20 Town Planning Fintrade JV
- 21 Hinterland Fintrade JV
- 22 Rukshmani Properties Private Limited (Upto July 07, 2015)

###### III. Key management personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35' (Contd.)

#### IV. Relatives of key management personnel

- 1 Mrs. Lata M. Shah, Mother of Executive Chairman and Managing Director
- 2 Mrs. Kunjal H. Shah, Wife of Executive Chairman
- 3 Mrs. Falguni V. Shah, Wife of Managing Director
- 4 Mr. Rushank V. Shah, Son of Managing Director
- 5 Mr. Khilen V. Shah, Son of Managing Director
- 6 Mr. Kushal H. Shah, Son of Executive Chairman
- 7 Mrs. Nutan Dhanki, Sister of Executive Chairman and Managing Director
- 8 Mrs. Hemanti Parekh, Sister of Executive Chairman and Managing Director
- 9 Hemant M. Shah HUF— Karta Executive Chairman
- 10 Vyomesh M. Shah HUF— Karta Managing Director
- 11 Mahipatray V. Shah HUF— Karta Executive Chairman
- 12 Mahipatray V. Shah Discretionary Trust— Trustees Executive Chairman and Managing Director
- 13 Estate of Mahipatray V Shah – Beneficiaries Executive Chairman and Managing Director

#### V. Enterprises where key managerial personnel or their relatives exercise significant influence (Where transactions have taken place)

- 1 Adhivitiya Properties Limited
- 2 Helik Advisory Limited
- 3 Sheshan Housing And Area Development Engineers Limited (From April 1, 2015)
- 4 Vishal Nirman (India) Limited
- 5 Buildbyte. Com. (India) Private Limited
- 6 Celeste Joint Venture
- 7 Citygold Management Services Private Limited
- 8 Distinctive Realty Private Limited
- 9 Fern Infrastructure Private Limited
- 10 Fourjone Realtors Private Limited
- 11 Heeler Hospitality Private Limited
- 12 Ichha Constructions Private Limited
- 13 Lista City Private Limited
- 14 Merrygold Buildcon Private Limited
- 15 Starzone Developers Private Limited
- 16 Sunmist Builders Private Limited
- 17 Sunstone Developers Joint Venture
- 18 Superaction Realty Private Limited
- 19 Trans Gulf MEP Engineers Private Limited

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35' (Contd.)

#### B. Transactions with Related Parties

(₹ in lakhs)

Sr. No.	Nature of Transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>i.</b>	<b>Loans and Advances received/ recovered/ adjusted</b>			
	Pristine Developers Private Limited	77.96 (—)	— (—)	— (—)
	Fern Infrastructure Private Limited	— (—)	— (—)	547.05 (—)
	Sunstream City Private Limited	— (—)	— (43,916.61)	— (—)
	Others	— (906.79)	— —	— (353.84)
<b>ii.</b>	<b>Loans and Advances given/ repaid/adjusted</b>			
	Fern Infrastructure Private Limited	— (—)	— (—)	827.50 (—)
	Sunstream City Private Limited	— (—)	— (965.82)	— (—)
	Others	— (37.74)	— (—)	46.91 (62.73)
<b>iii.</b>	<b>Business Advances received / recovered / adjusted</b>			
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (1,917.85)	— (—)
	Comral Realty Private Limited	— (5,471.54)	— (—)	— (—)
	Twenty Five South Realty Limited	— (—)	— (4,658.74)	— (—)
	Sunstream City Private Limited	— (—)	47,284.36 (—)	— (—)
	Others	564.87 (7.50)	2,436.25 (2,084.48)	4,878.00 (10.00)
<b>iv.</b>	<b>Business Advances given / repaid / adjusted</b>			
	Citywood Builders Private Limited	— (184.60)	— (—)	— (—)
	Comral Realty Private Limited	— (1,550.10)	— (—)	— (—)
	Twenty Five South Realty Limited	— (—)	1,513.37 (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	1,409.12 (—)	— (—)
	Sunstream City Private Limited	— (—)	— (46,933.10)	— (—)
	Celeste Joint Venture	— (—)	— (—)	5,106.00 (—)
	Ichha Constructions Private Limited	— (—)	— (—)	1,845.00 (—)
	Others	5.20 (1,755.02)	1,528.89 (8,736.21)	285.58 (375.83)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of Transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>v.</b>	<b>Interest Income</b>			
	Fern Infrastructure Private Limited	— (—)	— (—)	313.51 (—)
	Comral Realty Private Limited	— (607.00)	— (—)	— (—)
	Sunstream City Private Limited	— (—)	48.40 (—)	— (—)
	Others	4.52 (12.71)	14.09 (12.50)	— (30.44)
<b>vi.</b>	<b>Deposits repaid / pre-matured</b>			
	Hemant M. Shah (HUF)	— (—)	— (—)	— (68.92)
	Mahipatray V. Shah HUF	— (—)	— (—)	— (96.00)
	Mahipatray V. Shah Discretionary Trust	— (—)	— (—)	— (80.50)
	Nutan Dhanki	— (—)	— (—)	— (70.00)
	Others	— (—)	— (—)	— (372.48)
<b>vii.</b>	<b>Directors' Remuneration</b>			
	Hemant M. Shah	— (—)	— (—)	87.70 (85.98)
	Vyomesh M. Shah	— (—)	— (—)	77.31 (77.31)
	<b>Remuneration to Relatives of KMPs</b>			
	Rushank Shah	— (—)	— (—)	27.03 (27.03)
	Khilen Shah	— (—)	— (—)	27.03 (27.03)
<b>viii.</b>	<b>Investments (Including Debentures) made</b>			
	Akruti Jay Developers	— (—)	221.13 (688.47)	— (—)
	Rising Glory Developers	— (—)	825.29 (437.47)	— (—)
	Shreenath Realtors	— (—)	— (2.10)	— (—)
	Sole Builders	— (—)	— (10.88)	— (—)
	Akruti Jay Chandan JV	— (—)	427.55 (155.31)	— (—)
	Others	— (—)	1,654.20 (217.64)	1,044.00 (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of Transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>ix.</b>	<b>Investments transferred/ withdrawn</b>			
	Akruti Jay Developers	— (—)	350.22 (1,729.11)	— (—)
	Gulati Estate Joint Venture	— (—)	— (2,648.03)	— (—)
	Akruti Jay Chandan JV	— (—)	405.80 (217.18)	— (—)
	Akruti Kailash Constructions	— (—)	607.37 (397.94)	— (—)
	Rising Glory Developers	— (—)	1,067.99 (—)	— (—)
	Sunstone Developers	— (—)	— (—)	1,139.50 (—)
	Others	45.65 (—)	48.21 (584.95)	— (—)
<b>x.</b>	<b>Advance against share application adjusted/refunded</b>			
	Harbinger Developers Private Limited	— (110.45)	— (—)	— (—)
	Shubhsiddhi Builders Private Limited	— (742.65)	— (—)	— (—)
<b>xi.</b>	<b>Services received/availed</b>			
	Citygold Management Services Private Limited	— (—)	— (—)	689.05 (564.87)
	Others	— (—)	— (—)	0.73 (1.46)
<b>xii.</b>	<b>Sale of Properties / Rights</b>			
	Twenty Five South Realty Limited	— (—)	1,837.68 (15,602.60)	— (—)
	Sunstream City Private Limited	— (—)	3,273.79 (—)	— (—)
<b>xiii.</b>	<b>On behalf payments made ( Including reimbursement of expenses)</b>			
	Akruti SMC JV	— (—)	— (48.91)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	169.53 (185.24)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	45.41 (74.17)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	100.64 (111.15)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	39.36 (39.71)	— (—)
	Sunstream City Private Limited	— (—)	55.34 (—)	— (—)
	Others	— (10.28)	0.61 (24.04)	4.00 (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of Transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>xiv.</b>	<b>On behalf payments received/adjusted</b>			
	Pristine Developers Private Limited	56.69 (—)	— (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	8.25 (4.40)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	132.95 (221.51)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	223.30 (—)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	60.88 (17.34)	— (—)
	Comral Realty Private Limited	— (52.61)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (147.85)	— (—)
	Other	9.63 (5.13)	46.35 (62.68)	— (—)
<b>xv.</b>	<b>Share of profit from Partnerships/Joint Ventures</b>			
	Akruti Jay Developers	— (—)	251.73 (—)	— (—)
	Akruti Jay Chandan JV	— (—)	3.64 (32.90)	— (—)
<b>xvi.</b>	<b>Share of loss from Partnerships/Joint Ventures</b>			
	Akruti Realty Forefront Combine	— (—)	0.01 (0.09)	— (—)
	Hiranandani Akruti JV	— (—)	— (2.33)	— (—)
	Akruti Steelfab Corporation	— (—)	0.08 (0.04)	— (—)
	Shreenath Realtors	— (—)	0.20 (0.10)	— (—)
	Sole Builders	— (—)	— (0.82)	— (—)
	Rising Glory Developers	— (—)	0.01 (—)	— (—)
	Akruti Kailash Constructions	— (—)	3.85 (0.99)	— (—)
	Gulati Estate JV	— (—)	— (0.06)	— (—)
	Sunstone Developers	— (—)	— (—)	0.03 (—)
	Akruti Jay Developers	— (—)	— (133.67)	— (—)
	Akruti GM JV	— (—)	1.07 (2.11)	— (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of Transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>xvii.</b>	<b>Cost of Construction</b>			
	Akruti Jay Developers	— (—)	4.33 (—)	— (—)
<b>xviii.</b>	<b>Advance given towards purchase of unit</b>			
	Fern Infrastructure Private Limited	— (—)	— (—)	544 (—)
<b>xix.</b>	<b>Corporate Guarantees given for loans availed by others</b>			
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (1,661.53)	— (—)
	Sunstream City Private Limited	— (—)	2,200.07 (—)	— (—)
	Rare Townships Private Limited	— (—)	3,120.00 (—)	— (—)
	Twenty Five South Realty Limited	— (—)	14,494.81 (—)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	340.12 (530.50)	— (—)
	Others	— (—)	610.79 (54.03)	— (—)
<b>xx.</b>	<b>Corporate Guarantees vacated for loans availed by others</b>			
	Pristine Developers Private Limited	2,425.26 (2,302.05)	— (—)	— (—)
	Twenty Five South Realty Limited	— (—)	— (7,984.51)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	920.10 (—)	— (—)
	Others	— (—)	104.99 (1,322.64)	— (—)
<b>xxi.</b>	<b>Advance given towards purchase of unit</b>			
	Fern Infrastructure Private Limited	— (—)	— (—)	544.00 (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of Transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
	<b>Balances outstanding</b>			
<b>xxii.</b>	<b>Payables *</b>			
	Sunstone Developers JV	— —	— (—)	266.14 (—)
	Falguni Shah	— (—)	— (—)	262.32 (262.32)
	Vinca Developer Private Limited	1,061.00 (—)	— (—)	— (—)
	Citygold Management Services Private Limited	— (—)	— (—)	247.75 (1,052.03)
	Others	— (—)	— —	21.83 (21.83)
<b>xxiii.</b>	<b>Receivables *</b>			
	Sunstream City Private Limited	— (—)	4,826.44 (46,819.10)	— (—)
	Fourjone Realtors Private Limited	— (—)	— (—)	4,403.25 (—)
	Fern Infrastructure Private Limited	— (—)	— (—)	6,535.83 (—)
	Others	18.76 (2,538.29)	3,186.82 (1,614.74)	5,781.69 (8,234.95)
<b>xxiv.</b>	<b>Corporate Guarantees given for loans availed by others (Amount outstanding there against)</b>			
	Pristine Developers Private Limited	— (2,425.26)	— (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	2,256.08 (2,361.07)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	2,745.33 (2,134.54)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	2,085.93 (1,745.81)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	5,544.17 (6,464.27)	— (—)
	Fern Infrastructure Private Limited	— (—)	— (—)	4,549.28 (—)
	Sunstream City Private Limited	— (—)	2,200.07 (—)	— (—)
	Rare Townships Private Limited	— (—)	3,120.00 (—)	— (—)
	Twenty Five South Realty Limited	— (—)	14,494.81 (—)	— (—)

Footnote:

\$ Enterprises where Key Management Personnel or their relatives exercise significant influence.

\* Including balances relating to transactions entered into when these were not related.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '35' (Contd.)

#### B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

Sr. No.	Nature of Transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
<b>xxv.</b>	<b>Bank Guarantees given for loans availed by others</b>			
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	202.86 (—)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	182.67 (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	461.87 (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	155.27 (—)	— (—)
	Others	— (—)	6.45 (—)	— (—)
<b>xxvi</b>	<b>Personal Guarantees of Directors</b>			
	Banks	— (—)	— (—)	53,485.99 (55,592.10)
	Debenture Trustees	— (—)	— (—)	5,884.08 (9,343.59)
	Financial Institution	— (—)	— (—)	4,950.00 (5,040.63)
<b>xxvii</b>	<b>Guarantees / Securities given by way of shares in the Company pledged against loans availed by the Company</b>	— (—)	— (—)	50,031.40 (49,626.78)

Footnotes:

\$ Enterprises where Key Management personnel or their relatives exercise significant influence.

Previous year figures are given in brackets.

Related party relationships are identified by the Company and relied upon by the auditors.

### NOTE '36'

M/s. Akruiti Kailash Constructions "the firm" had entered into an agreement and sold FSI to a customer in earlier years. As per clause no. 10(i)(a) of the said agreement, it has been agreed between the parties that the firm will receive the FSI consideration as and when the customer will realise the sale proceeds from sale of units. The holding Company's share in Trade Receivables (Current & Non Current) outstanding from the customer till date is ₹ 56.29 Crore. (P.Y. ₹ 107.92 Crore). The firm considers the debt to be good and fully recoverable since substantial construction work has been carried out in the project and in its opinion ready stock would fetch good rate and faster realisation of dues.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

### NOTE '37'

**Variation between the Accounting Policies followed by various entities within the group :** Depreciation is calculated on Written Down Value method at the rates prescribed by the Income Tax Act, 1961 by entities in the nature of partnership and association of persons (AOP). The proportion of items to which different accounting policy as aforesaid is applied hereunder .:

	<b>31 March, 2016</b> ( ₹ in lakhs)	31 March, 2015 ( ₹ in lakhs)
<b>NOTE '37'</b>		
<b>Net Block :</b>		
i) Tangible Assets	<b>161.00</b>	203.63
ii) Intangible Assets	<b>1.07</b>	1.43

### NOTE '38'

Four subsidiaries of the Company have purchased parcels of land in the State of Maharashtra. These lands were purchased in the name of the said subsidiary companies and / or their nominees. The development of the said land is subject to receipt of permission from the concerned authorities.

### NOTE '39'

Previous year figures have been regrouped / reclassified wherever necessary, to make them comparable with current year figures in the financial statements.

### NOTE '40'

Loans and advances, other receivables, debtors and creditors are subject to confirmations and are considered payable / realisable, as the case may be.

As per our report of even date

For **DALAL DOSHI & ASSOCIATES**  
Firm Registration No. 121773W  
Chartered Accountants

**DINESH DOSHI**  
PARTNER  
Membership No. : F - 9464

Mumbai  
Date: 22nd June, 2016

For and on behalf of the Board of Directors

**HEMANT M. SHAH**                      **VYOMESH M. SHAH**  
EXECUTIVE CHAIRMAN                      MANAGING DIRECTOR

**CHETAN MODY**  
COMPANY SECRETARY

Nairobi  
Date: 22nd June, 2016

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Mumbai  
Date: 22nd June, 2016

### FORM – AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule (5) of the Companies (Accounts) Rules , 2014)

#### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

#### PART 'A' – SUBSIDIARIES

(₹ in lakhs)

Serial No.	PARTICULARS	Name of Subsidiaries								
		ABP Realty Advisors Private Limited	Akruti Safeguard Systems Private Limited	Citygold Education Research Limited	Citygold Farming Private Limited	Citywood Builders Private Limited	Devkurpa Build Tech Private Limited	Diviniti Projects Private Limited	Gujarat Akruti-TCG Biotech Limited	Halitious Developer Limited
1	Reporting period of the subsidiary concerned, if different from the holding company's reporting period	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	\$	\$		
2	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR
3	Share Capital	5.00	26.76	343.00	259.75	1.00	5.00	5.00	5.00	10.00
4	Reserves and Surplus	(182)	(1229.35)	3220.31	2032.13	(1430.02)	(871.13)	482.31	(387.81)	296.51
5	Total Assets	1.84	654.55	9137.04	14866.98	11193.31	57.21	5642.4	3257.04	469.48
6	Total Liabilities	178.84	1857.14	5573.73	12575.10	12622.33	923.34	5155.09	3639.85	162.97
7	Investments	—	46.65	2700.16	1500.16	—	—	0.33	—	0.10
8	Turnover / Total Income	0.01	168.36	28.79	719.56	2050.96	84.35	(0.01)	0.08	(0.01)
9	Profit / (Loss) before Taxation	(0.18)	10.53	(88.96)	(292.31)	(270.90)	76.73	(3.76)	(14.02)	(0.76)
10	Provision for Taxation	—	—	—	—	—	(0.15)	—	—	—
10a.	Prior Period Taxation : Excess / (Short) Provision / Deferred Tax (Charge) / Credit	(0.01)	(4.30)	0.76	0.10	26.23	—	0.57	—	—
11	Prior period adjustments	—	(10.23)	—	—	—	—	—	—	—
12	Profit / (Loss) after Taxation	(0.19)	(4.00)	(88.20)	(292.21)	(244.67)	76.58	(3.19)	(14.02)	(0.76)
13	Proposed Dividend	—	—	—	—	—	—	—	—	—
14	% of shareholding#	100%	88.27%	2.17 % *	0.38 % *	100%	51%	100%	74%	100%

\$ based on management accounts for F. Y. 2015-2016.

\* considered as subsidiaries under Section 2 (87) (i) of the Companies Act, 2013 ;

# total share capital = equity share capital & convertible preference share capital.



### FORM – AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule (5) of the Companies (Accounts) Rules , 2014)

#### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

#### PART 'A' – SUBSIDIARIES

(₹ in lakhs)

Serial No.	PARTICULARS	Name of Subsidiaries								
		Headland Farming Private Limited	Hedde Knowledge Private Limited	Heet Builders Private Limited	India Development and Construction Venture Capital Private Limited	Joynest Premises Private Limited	Twenty Five South Realty Limited	Upvan Lake Resorts Private Limited	Urvi Build Tech Limited	Vama Housing Limited
1	Reporting period of the subsidiary concerned, if different from the holding company's reporting period	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016 \$	31.03.2016 \$	31.03.2016 \$	31.03.2016 \$	31.03.2016
2	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR
3	Share Capital	1.00	1.00	5.00	5.00	10471.95	5.00	1.20	5.00	5.00
4	Reserves and Surplus	145.25	(863.31)	(293.69)	(28.00)	(655.42)	17749.15	(29.12)	(874.01)	(300.69)
5	Total Assets	1717.44	6180.13	16429.91	0.40	29396.6	84913.74	500.34	305.16	143.87
6	Total Liabilities	1571.19	7042.44	16718.60	23.40	19580.07	67159.59	528.26	1174.17	439.56
7	Investments	0.10	0.54	0.10	—	8989.63	0.10	0.10	—	129.72
8	Turnover	7.49	308.54	1775.84	—	60.14	222.28	5.00	169.99	0.13
9	Profit / (Loss) before Taxation	(11.85)	(584.38)	(142.73)	(1.61)	(267.39)	(773.97)	(0.08)	(167.70)	(5.27)
10	Provision for Taxation	—	—	—	—	—	—	—	—	—
10a.	Prior Period Taxation: Excess / (Short) Provision / Deferred Tax (Charge) / Credit	—	0.42	(2.29)	—	—	0.45	—	—	(0.01)
11	Prior period adjustments	—	(0.55)	—	—	(0.26)	—	—	—	—
12	Profit / (Loss) after Taxation	(11.85)	(584.51)	(145.02)	(1.61)	(267.65)	(773.52)	(0.08)	(167.70)	(5.28)
13	Proposed Dividend	—	—	—	—	—	—	—	—	—
14	% of shareholding #	100%	100%	94.40%	100%	62.07%	47.49 % *	75%	100%	100%

\$ based on management accounts for F. Y. 2015-2016.

\* Considered as a subsidiary under Section 2 (87) (i) of the Companies Act, 2013 ;

# total share capital = equity share capital & convertible preference share capital.

### FORM – AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule (5) of the Companies (Accounts) Rules , 2014)

#### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

##### PART 'A' – SUBSIDIARIES

(₹ in lakhs)

Serial No.	PARTICULARS	Name of Subsidiaries		
		Vega Developers Private Limited	Vishal Techno Commerce Limited	Yantti Buildcon Private Limited
1	Reporting period of the subsidiary concerned, if different from the holding company's reporting period	31.03.2016 §	31.03.2016	31.03.2016 §
2	Reporting currency	INR	INR	INR
3	Share Capital	300.00	5.00	5.00
4	Reserves and Surplus	(9.82)	2100.85	(37.75)
5	Total Assets	1935.22	20364.15	5679.95
6	Total Liabilities	1645.04	18258.30	5712.7
7	Investments	0.10	34.36	0.10
8	Turnover	—	11.04	—
9	Profit before Taxation	(0.58)	(5.17)	(5.02)
10	Provision for Taxation	—	—	—
10a.	Prior Period Taxation Excess/(Short) Provision and Deferred Tax (Charge)/Credit	—	(7.71)	—
11	Prior Period Adjustment	—	—	—
12	Profit / (Loss) after Taxation	(0.58)	(12.88)	(5.02)
13	Proposed Dividend	—	—	—
14	% of shareholding	100%	100%	100%

§ based on management accounts for F. Y. 2015-2016.

#### Notes :

- 1 Names of Subsidiaries which are yet to commence operations : Nil
- 2 Names of Subsidiaries which have been liquidated or sold during the year :
  - (i) Sheshan Housing and Area Development Engineers Limited ceased to be a subsidiary of the Company;
  - (ii) Devkrupa Build Tech Limited ceased to be a wholly owned subsidiary and has instead become a subsidiary of the Company;

### FORM – AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule (5) of the Companies (Accounts) Rules , 2014)

#### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES

#### PART 'B' – ASSOCIATES AND JOINT VENTURES

(₹ in lakhs)

Serial No.	PARTICULARS	Name of Associates / Joint Ventures								
		Pristine Developers Private Limited	Subsiddhi Builders Private Limited	Whitebud Developer Private Limited	Vinca Developer Private Limited	Hubtown Bus Terminal (Adajan) Private Limited	Hubtown Bus Terminal (Ahmedabad) Private Limited	Hubtown Bus Terminal (Mehsana) Private Limited	Hubtown Bus Terminal (Vadodara) Private Limited	Joyous Housing Limited
1	Latest Audited Balance Sheet Date	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016
2	Share of associate/joint venture held by the Company at the year end									
	• Nos.	8,000	5,000	25,000	6095	1,65,463	25,000	1,50,000	1,65,275	25,000
	• Amount of Investment in Associates/Joint Venture	0.80	0.50	2.50	0.61	1062.49	2133.00	634.00	597.29	25.00
	• Extent of Holding %	40%	50%	50%	0.05%	47.28%	46.30%	42.86%	47.22%	25%
3	Description of how there is significant influence *	See note (1) below								
4	Reason why the associate/joint venture is not consolidated	—	—	—	—	—	—	—	—	—
5	Networth attributable to shareholding as per latest audited balance sheet	1878.97	0.50	(30.24)	0.09	738.38	4339.42	1323.18	198.11	(95.45)
6	Profit/(Loss) for the year	927.27	(0.64)	(2.20)	(36.66)	(74.23)	(2760.75)	514.80	(438.24)	(73.43)
	Considered in consolidation	370.91	—	—	—	(33.41)	(1242.34)	231.66	(197.21)	(18.03)
	Not considered in consolidation	556.36	(0.64)	(2.20)	(36.66)	(40.82)	(1518.41)	283.14	(241.03)	(55.40)

\$ based on management accounts for F. Y. 2015-2016.

Note :

1. \* Significant Influence arises owing to direct/indirect ownership of 20 % or more of the share capital or voting power, as the case may be, by the reporting enterprise — Hubtown Limited.

### FORM – AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule (5) of the Companies (Accounts) Rules , 2014)

#### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES PART 'B' – ASSOCIATES AND JOINT VENTURES

(₹ in lakhs)

Serial No.	PARTICULARS	Name of Associates / Joint Ventures		
		Rare Townships Private Limited	Sunstream City Private Limited	Giraffe Developers Private Limited
1	Latest Audited Balance Sheet Date	31.03.2016 \$	31.03.2016 \$	31.03.2016 \$
2	Share of associate / joint venture held by the Company at the year end			
	• Nos.	32,62,270	1,29,000	7,353
	• Amount of Investment in Associates / Joint Venture	7445.84	12.90	5,004.79
	• Extent of Holding %	35.10 %	43 %	7.21 %
3	Description of how there is significant influence *	See note (1) below		
4	Reason why the associate / joint venture is not consolidated	—	—	See note (2) below
5	Networth attributable to shareholding as per latest audited balance sheet	6515.60	(259.51)	—
6	Profit / (Loss) for the year	(1524.56)	(89.94)	—
	Considered in consolidation	(609.82)	(38.67)	—
	Not considered in consolidation	(914.74)	(51.27)	—

\$ Based on management accounts for F.Y. 2015-2016.

Notes :

- \* Significant Influence arises owing to direct/indirect ownership of 20% or more of the share capital or voting power, as the case may be, by the reporting enterprise – Hubtown Limited.
- The investment in the associate is temporary in nature and the Company does not exert control on the management of the said associate.
- Names of associates or joint ventures which are yet to commence operations : Nil
- Names of associates or joint ventures which have been liquidated or sold during the year :
  - Yellowcity Builders Private Limited and Comral Realty Private Limited ceased to be associates of the Company.

For and on behalf of the Board of Directors

**HEMANT M. SHAH**  
EXECUTIVE CHAIRMAN

**VYOMESH M. SHAH**  
MANAGING DIRECTOR

**CHETAN MODY**  
COMPANY SECRETARY

**ANIL AHLUWALIA**  
CHIEF FINANCIAL OFFICER

Nairobi  
Date: 22nd June, 2016

Mumbai  
Date: 22nd June, 2016

# HUBTOWN

[CIN : L45200MH1989PLC050688]

**Registered Office :** Ackruti Center Point, 6th floor, Central Road, Marol MIDC,  
Andheri (East), Mumbai 400093, Phone: + 91 22 67037400; Fax: + 91 22 67037403;  
E-mail : investorcell@hubtown.co.in ; Website : www.hubtown.co.in

## E - COMMUNICATION REGISTRATION FORM

Dear Shareholder(s),

We draw your attention to the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the relevant Rules thereunder, whereby companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address with the Company's Registrar and Transfer Agent or with their Depository.

As a part of Green Initiative in Corporate Governance, we invite all our esteemed shareholders to fill up the form given below for receiving communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company : [www.hubtown.co.in](http://www.hubtown.co.in).

**Please note that as a member of the Company, you will be entitled to receive all such communication in physical form, upon request.**

With kind regards,

**Chetan S. Mody**  
Company Secretary

<b>Name of the Shareholder (s) (In Block Letters) including Joint holders, if any</b>	

<b>Folio No.</b>	
<b>DP ID No.</b>	
<b>Client ID No.</b>	

I, shareholder of Hubtown Limited hereby agree to receive documents / notices from the Company in electronic mode and my e-mail address for receiving such communication is given below. Kindly register the said e-mail ID in your records for sending communication in electronic form.

<b>E- mail - Id</b>	
---------------------	--

<b>Signature of the First Shareholder</b>	
---	--

Date : \_\_\_\_\_, 2016

### Important Notes :

1. The above e-mail address will be registered, subject to verification of your signature with the specimen signature registered with the Company.
2. On registration, all communication will be sent to the e-mail id registered in the Folio No./DP ID and Client ID.
3. This Form has been uploaded on the website of the Company : [www.hubtown.co.in](http://www.hubtown.co.in)

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To:

**Link Intime India Private Limited**  
**Unit : Hubtown Limited**  
**C-13, Pannalal Silk Mills Compound,**  
**L. B. S. Marg, Bhandup (West),**  
**Mumbai - 400 078**

## MANDATE FORM ELECTRONIC CLEARING SERVICE (ECS)

<b>Name of the Sole / First Shareholder (in block letters)</b>	
<b>Folio No.</b>	
<b>No. of Shares held</b>	
<b>Name of the Bank and branch address</b>	
<b>Name of the Account and Account No. (as appearing on your cheque book)</b>	
<b>Ledger Folio No. (as appearing on your cheque book)</b>	
<b>9-Digit Code No. of the bank and branch as appearing on the MICR cheque issued by the bank</b>	(please attach a copy of a blank cancelled cheque for verification)

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I will not hold the Company responsible. I agree to discharge my responsibility as participant under the Scheme. I shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinued the ECS for any reason.

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Signature of the Sole / First Shareholder**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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# HUBTOWN

(CIN : L45200MH1989PLC050688)

**Registered Office :** Ackruti Center Point, 6th floor, Central Road, Marol MIDC, Andheri (East), Mumbai 400 093

Phone: + 91 22 67037400; Fax: + 91 22 67037403;

E-mail : investorcell@hubtown.com; Website : www.hubtown.co.in

## PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013

and

Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____
Registered Address: _____ _____
E-mail ID : _____
Folio / DP ID and Client ID : _____

I/We, being the members of \_\_\_\_\_ shares of the above named Company, hereby appoint :

1.	Name	Address
	E-mail ID	Signature or failing him/her;
2.	Name	Address
	E-mail ID	Signature or failing him/her;
3.	Name	Address
	E-mail ID	Signature

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **TWENTY EIGHTH ANNUAL GENERAL MEETING** of the Company to be held on **THURSDAY, SEPTEMBER 29, 2016 at 10.00 a.m.** at 'Kilachand Conference Room', 2nd floor, Indian Merchants' Chamber Building, Indian Merchant Chamber Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions and in such manner as indicated on the **reverse** :

P.T.O.

# HUBTOWN

Resolution No.	Particulars of Resolution	Vote (Optional Note 3)	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of the Audited Financial Statements and Consolidated Financial Statements for the year ended March 31, 2016 together with the reports of the Board of Directors and Auditors thereon.		
2.	Reappointment of Mr. Vyomesh M. Shah as a Director retiring by rotation.		
3.	Ratification of the appointment of M/s. Dalal Doshi & Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.		
<b>Special Business</b>			
4.	Reappointment of Mr. Hemant M. Shah as Wholetime Director designated as Executive Chairman of the Company.		
5.	Reappointment of Mr. Vyomesh M. Shah as Managing Director of the Company.		
6.	Appointment of Mr. Shirish Gajendragadkar as an Independent Director of the Company.		
7.	Ratification of remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.		
8.	Authority to the Board of Directors to make offer(s) or invitation for subscription to Non-convertible Debentures on private placement basis.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of Member \_\_\_\_\_

Affix Re. 1/-  
Revenue  
Stamp

Signature of Proxy holder \_\_\_\_\_

- N.B. :**
1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
  2. The Company reserves its right to ask for identification of the proxy.
  3. It is optional to put an (X) in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.
  4. For the resolutions and explanatory statement, please refer the Notice of the 28th Annual General Meeting.

HUBTOWN

# *New Launches*

HUBTOWN  
**SEASONS**  
state-of-the-earth living  
CHEMBUR (E)

---

THE  
**PREMIERE**  
RESIDENCES  
ANDHERI (W)

---

**PROJECT**  
P R A B H A D E V I