

HUBTOWN

Regd. Office: Plaza Panchsheel, "A" Wing, 5th floor, 501 Hughes Road, Behind Dharam Palace, Grant Road (West), Mumbai - 400007 INDIA
Tel.: +91-22-67037400 • Fax: +91-22-67037403 • www.hubtown.co.in. • CIN:L45200MH1989PLC050688

September 3, 2019

To,

| | |
|---|---|
| The Corporate Relationship Department BSE Limited P. J. Towers, Dalal Street Fort, Mumbai 400001 Scrip Code:532799 | The Listing Department The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai 400051 Symbol: HUBTOWN |
|---|---|

Dear Sir(s),

Sub: Notice of 31st Annual General Meeting ("31st AGM") and Copy of 31st Annual Report for the financial year ended March 31, 2019

We wish to inform you that the 31st AGM of the Company is scheduled to be held on Wednesday, September 25, 2019 at 10.00 a.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai – 400020 to transact the Ordinary and Special business mentioned in the Notice convening the 31st AGM. A copy of 31st AGM Notice is enclosed herewith in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for your records.

Further, please find enclosed herewith a Copy of 31st Annual Report for the financial year ended March 31, 2019 in terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Please take the above information on record.

Thanking you,

Yours faithfully,

For HUBTOWN LIMITED

M.D. DeGaonkar

MADHAVI DEGAONKAR
AUTHORIZED SIGNATORY



HUBTOWN
ANNUAL
REPORT

2018-2019



HUBTOWN

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CORPORATE INFORMATION

BOARD OF DIRECTORS

HEMANT M. SHAH, Executive Chairman
ABHIJIT DATTA
SUNIL C. SHAH
PRITI K. SHAH
SHAILESH HINGARH (upto February 28, 2019)
MAHESH A. KUVADIA (from June 12, 2019)
VYOMESH M. SHAH (VIMAL M. SHAH), Managing Director

COMMITTEES OF THE BOARD

AUDIT AND COMPLIANCE COMMITTEE

ABHIJIT DATTA, Chairman
SUNIL C. SHAH
SHAILESH HINGARH (upto February 28, 2019)
MAHESH A. KUVADIA (from June 12, 2019)
VYOMESH M. SHAH

NOMINATION AND REMUNERATION COMMITTEE

ABHIJIT DATTA, Chairman
SUNIL C. SHAH
PRITI SHAH
HEMANT M. SHAH

STAKEHOLDERS' RELATIONSHIP COMMITTEE

SUNIL C. SHAH, Chairman
SHAILESH HINGARH (upto February 28, 2019)
HEMANT M. SHAH (from April 15, 2019)
PRITI K. SHAH

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

RISK MANAGEMENT COMMITTEE

ABHIJIT DATTA, Chairman
HEMANT M. SHAH
VYOMESH M. SHAH

CHIEF FINANCIAL OFFICER

SUNIL MAGO (from July 8, 2019)
NANCY PEREIRA (upto July 6, 2019)

COMPANY SECRETARY

CHETAN S. MODY (upto April 5, 2019)
NIMESH SHAH (from April 15, 2019 upto June 5, 2019)

STATUTORY AUDITORS

M. H. DALAL & ASSOCIATES, Chartered Accountants

COST AUDITOR

D. C. DAVE & CO., Cost Accountants

INTERNAL AUDITOR

MAHAJAN & AIBARA, Chartered Accountants

SECRETARIAL AUDITOR

ASHISH BHATT & ASSOCIATES, Company Secretaries

REGISTERED OFFICE

'PLAZA PANCHSHEEL', 'A' WING, 5TH FLOOR
HUGHES ROAD, BEHIND DHARAM PALACE
GRANT ROAD (WEST), MUMBAI 400007
CIN : L45200MH1989PLC050688
Phone : 022 23660800
Fax : 022 23660812
Investor E-mail : investorcell@hubtown.co.in
Website : www.hubtown.co.in

REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 PARK
LAL BAHADUR SHASTRI MARG
VIKHROLI (WEST), MUMBAI 400 083
Phone : 022 49186000
Fax : 022 49186060
e-mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

BANKERS

CANARA BANK
IDBI BANK
UCO BANK
UNION BANK OF INDIA
UNITED BANK OF INDIA

31st ANNUAL GENERAL MEETING

WEDNESDAY, SEPTEMBER 25, 2019 AT 10.00 A.M.
'WALCHAND HIRACHAND HALL', 4TH FLOOR
CHURCHGATE, MUMBAI 400 020

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

HUBTOWN LIMITED

NOTICE OF 31ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF HUBTOWN LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 25, 2019 AT 10.00 A.M. AT WALCHAND HIRACHAND HALL, 4TH 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 :
 - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon.
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Priti K. Shah (DIN : 01880436), who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS :

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

As an Ordinary Resolution :

3. APPOINTMENT OF MR. MAHESH A. KUVADIA (DIN : 07195042) AS AN INDEPENDENT DIRECTOR

"RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the Rules made thereunder, read with Schedule IV to the said Act, and Regulation 16 (1) (b) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mahesh A. Kuvadia (DIN:07195042), who was appointed by the Board of Directors pursuant to the provisions of Section 161 of the Act and Article 112 of the Articles of Association of the Company, as an Additional Director designated as Non-Executive Independent Director of the Company with effect from June 12, 2019 and who has submitted a declaration that he meets the criteria of independence as prescribed under the Act and the SEBI Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from June 12, 2019 to June 11, 2024."

As a Special Resolution :

4. REAPPOINTMENT OF MR. ABHIJIT DATTA (DIN : 00790029) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule IV to the Act, and the Rules made thereunder and Regulation 16 (1) (b) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) (including any statutory modification(s) or re-enactments thereof for the time being in force) and Article 111 of the Articles of Association of the Company, Mr. Abhijit Datta (DIN:00790029), who was appointed as an Independent Director at the Twenty Sixth Annual General Meeting of the Company held on September 25, 2014 and who holds office upto September 25, 2019 and who is eligible for reappointment and in respect of whom, based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his reappointment to the Board and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act proposing his candidature for the office of Independent Director, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for his second term of 5 (five) consecutive years commencing from September 26, 2019 to September 25, 2024;

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17 (1A) of the SEBI Listing Regulations, the consent of the members of the Company be and is hereby accorded to the continuation of Mr. Abhijit Datta (DIN:00790029), as an Independent Director of the Company, beyond the age of 75 years which he will attain on June 1, 2024, during his second term as an Independent Director of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate to any executives/ officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard."

NOTICE (CONTD.)

As a Special Resolution :

5. REAPPOINTMENT OF MR. SUNIL C. SHAH (DIN : 06947244) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule IV to the Act, and the Rules made thereunder and Regulation 16 (1) (b) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) (including any statutory modification(s) or re-enactments thereof for the time being in force) and Article 111 of the Articles of Association of the Company, Mr. Sunil C. Shah (DIN:06947244), who was appointed as an Independent Director at the Twenty Sixth Annual General Meeting of the Company held on September 25, 2014 and who holds office upto September 25, 2019 and who is eligible for reappointment and in respect of whom, based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his reappointment to the Board and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 (1) of the Act proposing his candidature for the office of Independent Director, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for his second term of 5 (five) consecutive years commencing from September 26, 2019 to September 25, 2024;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate to any executives/ officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.”

As a Special Resolution :

6. PAYMENT OF REMUNERATION TO MR. HEMANT M. SHAH (DIN: 00009659) AS EXECUTIVE CHAIRMAN OF THE COMPANY IN TERMS OF REGULATION 17 (6) (e) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (AMENDMENT) REGULATIONS, 2018

“RESOLVED THAT pursuant to Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 together with the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule V to the Act, consent of the members be and is hereby accorded for payment of remuneration, with effect from April 1, 2019, to Mr. Hemant M. Shah (DIN : 00009659), Executive Chairman, on the terms and conditions as approved by the members in the Twenty-Eighth Annual General Meeting held on September 28, 2016 notwithstanding that the remuneration payable to Mr. Hemant M. Shah in any year during the remaining tenure of his appointment exceeds 2.5 percent of the net profit of the Company computed under Section 198 of the Act or the aggregate annual remuneration of Mr. Hemant M. Shah, Executive Chairman and Mr. Vyomesh M. Shah, Managing Director (DIN :00009596) exceeds 5 percent of the net profit of the Company as calculated under Section 198 of the Act in any year during the remaining tenure of his appointment;

RESOLVED FURTHER THAT all the existing terms and conditions of remuneration including salary, perquisites and performance incentive as per ordinary resolution passed in the Annual General Meeting held on September 28, 2016 shall remain unchanged;

RESOLVED FURTHER THAT the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Hemant M. Shah, Executive Chairman;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

As a Special Resolution :

7. PAYMENT OF REMUNERATION TO MR. VYOMESH M. SHAH (DIN: 00009596) AS MANAGING DIRECTOR OF THE COMPANY IN TERMS OF REGULATION 17 (6) (e) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (AMENDMENT) REGULATIONS, 2018

“RESOLVED THAT pursuant to Regulation 17 (6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 together with the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule V to the Act, consent of the members be and is hereby accorded for payment of remuneration, with effect from April 1, 2019, to Mr. Vyomesh M. Shah (DIN : 00009596), Managing Director, on the terms and conditions as approved by the members in the Twenty-Eighth Annual General Meeting held on September 28, 2016 notwithstanding that the remuneration payable to Mr. Vyomesh M. Shah in any year during the remaining tenure of his appointment exceeds 2.5 percent of the net profit of the Company computed under Section 198 of the Act or the aggregate annual remuneration of Mr. Vyomesh M. Shah, Managing Director and Mr. Hemant M. Shah, Executive Chairman (DIN :00009659) exceeds 5 percent of the net profit of the Company as calculated under Section 198 of the Act in any year during the remaining tenure of his appointment;

RESOLVED FURTHER THAT all the existing terms and conditions of remuneration including salary, perquisites and performance incentive as per ordinary resolution passed in the Annual General Meeting held on September 28, 2016 shall remain unchanged;

RESOLVED FURTHER THAT the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Vyomesh M. Shah, Managing Director;

NOTICE (CONTD.)

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

As an Ordinary Resolution :

8. RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITOR OF THE COMPANY FOR THE FINANCIAL YEAR 2019-2020

"RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the members hereby ratify and approve the payment of remuneration of ₹ 5,00,000/- (Rupees Five Lakh) plus applicable taxes and out-of-pocket expenses actually incurred during the course of audit to Messrs D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) appointed as Cost Auditor by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2019-2020;

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

As a Special Resolution :

9. ISSUANCE OF REDEEMABLE NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment to any of the foregoing and other applicable guidelines, directions or laws, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee(s) constituted / to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), to issue Redeemable Non-convertible Debentures ('NCDs') secured or unsecured, in one or more series for an amount not exceeding ₹ 5,000/- crore (Rupees Five Thousand Crore only) on a 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 NCDs are to be issued, the consideration for the issue, mode of payment, coupon rate, redemption period, utilization of issue proceeds and all other matters 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."

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

Vyomesh M. Shah
Managing Director
DIN : 00009596

Mumbai
August 14, 2019

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) 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 Proxy Form, in order to be valid and effective, should be duly completed and signed and be lodged with the Company at its registered office not less than forty-eight hours before the scheduled commencement of the AGM.
3. A Proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.
4. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. If a proxy is appointed for more than fifty (50) members, the proxy shall choose any fifty members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid.
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.

NOTICE (CONTD.)

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 AGM.
8. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, setting out all material facts relating to special business at Item Nos. 3 to 9 of this Notice is annexed herewith and should be taken as part of this Notice.
9. 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 AGM.
10. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Friday, September 20, 2019 to Wednesday, September 25, 2019 (both days inclusive) in connection with the AGM.
11. Members having any questions on the Annual Report are requested to send their queries atleast ten days before the AGM, which will enable the Company to furnish the replies at the AGM.
12. 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 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.
13. In accordance with the provisions of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) and the provisions of the Secretarial Standard (SS-2) on General Meetings, brief profile of the Directors seeking reappointment in the ensuing AGM are provided in the Annexure to this Notice.
14. The Notice of the 31st AGM and the Annual Report of the Company for the year 2018-2019 circulated to the members of the Company will also be made available on the Company's website www.hubtown.co.in and also on the website of the respective Stock Exchanges at www.bseindia.com and 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.
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.
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 dividend 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 | 2011 - 2012 | 07.11.2012 | 12.12.2019 |
| 3. | 2012 - 2013 | 30.09.2013 | 03.11.2020 |

The IEPF Rules mandate the companies to transfer such shares of members of whom dividends remain unpaid/unclaimed for a period of seven consecutive years to the demat account of the IEPF authority. Hence, the Company urges all the members to encash / claim their respective dividend during the prescribed period. The Company has uploaded the information in respect of the Unclaimed Dividends for the aforesaid financial years on the Company's website at www.hubtown.co.in and the website of IEPF at www.iepf.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 under the section 'Investors', sub-section 'Investor Services'.
18. Electronic copy of the Notice of the 31st AGM 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 member 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 31st AGM 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. Members who desire to receive documents/communication in electronic mode are requested to register their e-mail address with Registrar and Transfer Agent of the Company by filling up the 'e-communication Registration Form' printed at the end of this Annual Report.

NOTICE (CONTD.)

Members holding shares in electronic form are requested to register their e-mail address with their respective Depository Participant. 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.

19. 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.
20. 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.
21.
 - 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 Regulations, the aforesaid businesses may also be transacted through electronic voting system and accordingly, the Company is pleased to provide remote e-voting facility (e-voting from a place other than venue of the AGM) to all its shareholders in addition to voting in person in the AGM;
 - b. The facility for voting through polling paper shall also be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting or by ballot shall be able to vote at the AGM; and
 - c. The members who have already cast their vote by remote e-voting or by ballot prior to the AGM may also attend the AGM, but shall not be entitled to cast their vote again.
22. 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 remote e-voting are annexed to this Notice.
23. 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.
24. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on Thursday, September 19, 2019 i.e. the date prior to the commencement of book closure, being the cut-off date.
25. Pursuant to Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the SEBI Listing Regulations, the Company, in order to enable its members, who do not have access to remote e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, is enclosing a Ballot Form along with the Annual Report.
26. A member desiring to exercise voting by using the Ballot Form shall complete the enclosed Ballot form with assent (FOR) and dissent (AGAINST) and send it to the Scrutinizer, Mr. Ashish Bhatt, Practicing Company Secretary, duly appointed by the Board of Directors of the Company, in the enclosed postage pre-paid self-addressed envelope. Ballot Form deposited in person or sent by post or courier at the expense of the member will also be accepted at the Registered Office of the Company.
27. Please convey your assent in Column 'FOR' and dissent in column 'AGAINST' by placing a tick (✓) mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form /manner will not be considered.
28. The duly completed and signed Ballot Forms should reach the Scrutinizer on or before Tuesday, September 24, 2019 (5.00 p.m. IST). The Ballot Forms received after the said date/time shall be strictly treated as if the reply from the member has not been received.
29. Unsigned / incomplete Ballot Forms will be rejected. The Scrutinizer's decision on validity of the Ballot Form shall be final.
30. A member may request for a duplicate Ballot Form, if so required by writing to the Company at its Registered Office or by sending an e-mail to investorcell@hubtown.co.in by mentioning their Folio No./DP ID and Client ID. However, the duplicate Ballot Form should reach the Scrutinizer not later than Tuesday, September 24, 2019 (5.00 p.m. IST).
31. Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as of the cut-off date i.e. Thursday, September 19, 2019, may obtain login ID and password by sending a request to helpdesk.evoting@cdslindia.com by mentioning his/her Folio No./ DP ID and Client ID. However, if a member is already registered with CDSL for e-voting, then such member can use his / her / its existing user ID and password for casting his / her / its vote.
32. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection without any fee at the Registered Office of the Company during working hours on all working days except Saturdays, upto and including the date of the AGM of the Company.

NOTICE (CONTD.)

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Sunday, September 22, 2019 at 9.00 a.m. and ends on Tuesday, September 24, 2019 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, September 19, 2019 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.
- iii. Click on Shareholders/Members
- 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 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:

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

- 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 on 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.
- xvii. If a demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password and 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.**

NOTICE (CONTD.)

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

Members can call on toll free no.: 18002005533 or contact Mr. Rakesh Dalvi, Manager, Marathon Futurex, A-wing 25th floor, N. M. Joshi Marg, Lower Parel, Mumbai-400 013, E-mail-helpdesk.evoting@cdslindia.com for grievances connected with e-voting.

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 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. 3 to 9 of the accompanying Notice.

Item No. 3

The Board of Directors in its meeting held on June 12, 2019, on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Mahesh A. Kuvadia as an Additional Director designated as Non-Executive Independent Director on the Board, with effect from June 12, 2019, subject to the approval of the members. Mr. Kuvadia holds office upto the date of this Annual General Meeting and is eligible for reappointment as an Independent Director.

The Company has received a notice in writing under Section 160 of the Act from a member, signifying the candidature of Mr. Kuvadia as an Independent Director of the Company.

Pursuant to Sections 149 and 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed that Mr. Mahesh A. Kuvadia, who meets the criteria of independence as provided in Section 149 (6) of the Act and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), be 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 from the date of his appointment i.e. commencing from June 12, 2019 to June 11, 2024.

Mr. Mahesh A. Kuvadia is not disqualified from being appointed as a Director by virtue of the provisions of Section 164 of the Act.

The Company has received from Mr. Kuvadia :

- i. consent to act as 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 under sub-section (2) of Section 164 of the Act, confirming his eligibility for such appointment; and
- iii. a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and the Rules framed thereunder and Regulation 16 (1) (b) of the SEBI Listing Regulations.

In terms of Regulation 25 (8) of the SEBI Listing Regulations, Mr. Kuvadia has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, Mr. Kuvadia fulfills the conditions specified in the Act and the Rules made thereunder and the SEBI Listing Regulations for his appointment as an Independent Director of the Company and is independent of the management of the Company. Having regard to the qualification, knowledge and experience, his appointment for the first term of five consecutive years as Independent Director will be in the interest of the Company. A copy of the draft letter of appointment for Independent Director setting out the terms and conditions would 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, upto the date of the ensuing Annual General Meeting.

Brief resume of Mr. Kuvadia, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Committee of the Board, etc. as stipulated under Regulation 36 (3) of the SEBI Listing Regulations and Secretarial Standards – SS 2 on General Meetings is provided in the Annexure – I to this Notice. Mr. Kuvadia is not related to any Director or Key Managerial Personnel of the Company.

The Board considers that the continued association of Mr. Kuvadia would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Kuvadia as an Independent Director. Accordingly, the Board after satisfying itself about the independence of Mr. Mahesh A. Kuvadia in accordance with Section 149 (6) of the Act and the SEBI Listing Regulations, recommends the resolution set forth at Item No. 3 in relation to the appointment of Mr. Mahesh A. Kuvadia as an Independent Director, for approval by the members.

Except for Mr. Mahesh A. Kuvadia, being an appointee, no other Directors and Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution. The relatives of Mr. Mahesh A. Kuvadia may be deemed to be interested in the resolution to the extent of their shareholding, if any.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36 (3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Item Nos. 4 and 5

Section 149 (10) of the Act and Regulation 25 of the SEBI Listing Regulations provide that an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a company but he shall be eligible for reappointment on passing of a special resolution by the company for another term of upto 5 (five) consecutive years and disclosure of such appointment in the Board's report.

Mr. Abhijit Datta (DIN : 00790029) and Mr. Sunil C. Shah (DIN : 06947244) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and Clause 49 of the erstwhile Listing Agreement. Mr. Abhijit Datta and Mr. Sunil C. Shah hold office as Independent Directors of the Company upto September 25, 2019 ('first term') in terms of the explanation to Sections 149 (10) and 149 (11) of the Act. The Company has, in terms of Section 160 (1) of the Act received notices in writing from members, proposing their candidature for the office of Independent Director of the Company.

ANNEXURE TO THE NOTICE (CONTD.)

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the reports of performance evaluation of Independent Directors, has recommended reappointment of Mr. Abhijit Datta and Mr. Sunil C. Shah as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that given their respective background and wide and varied experience and expertise and contributions made by each of them during their tenure, the continued association of Mr. Abhijit Datta and Mr. Sunil C. Shah would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

Accordingly, it is proposed to reappoint Mr. Abhijit Datta and Mr. Sunil C. Shah as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from September 26, 2019 to September 25, 2024.

Further, as per Regulation 17 (1) (A) of the SEBI Listing Regulations, appointment or continuation of a Non-Executive Director after attaining the age of 75 years also requires approval of the members of the Company by way of a special resolution. Mr. Abhijit Datta will attain the age of 75 (seventy five) years on June 1, 2024 during the proposed second term. The special resolution at Item No. 4 of the accompanying Notice once passed shall also be deemed as your approval under the aforesaid Regulations, for the continuation of Mr. Datta as an Independent Director beyond the age of 75 years.

Mr. Abhijit Datta and Mr. Sunil C. Shah are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their respective consent to act as Director. The Company has received a declaration from Mr. Abhijit Datta and Mr. Sunil C. Shah confirming that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations). In terms of Regulation 25 (8) of the SEBI Listing Regulations, Mr. Datta and Mr. Shah have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, Mr. Datta and Mr. Shah fulfil the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations for their reappointment as Independent Non-Executive Directors of the Company and are independent of the management of the Company.

A copy of the draft letters for the appointment of Mr. Abhijit Datta and Mr. Sunil C. Shah as Independent Directors setting out the terms and conditions of their respective appointment would 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 upto the date of the ensuing Annual General Meeting.

Brief resume of Mr. Abhijit Datta, and Mr. Sunil C. Shah, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Committees of the Board, etc. as stipulated under Regulation 36 (3) of the SEBI Listing Regulations and Secretarial Standards – SS 2 on General Meetings are provided in the Annexure – I to this Notice.

Accordingly, the Board after satisfying itself about the independence of Mr. Abhijit Datta and Mr. Sunil C. Shah in accordance with Section 149 (6) of the Act and the SEBI Listing Regulations, recommends the resolutions set forth at Item Nos. 4 and 5 in relation to the reappointment of Mr. Abhijit Datta and Mr. Sunil C Shah as Independent Directors, for approval by the members.

Except for Mr. Abhijit Datta and Mr. Sunil C. Shah, who are appointees, no Director, Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise in the resolutions at Item Nos. 4 and 5 of the accompanying Notice. The relatives of Mr. Abhijit Datta and Mr. Sunil Shah may be deemed to be interested in the resolutions to the extent of their shareholding, if any.

This Explanatory Statement together with the accompanying Notice of the AGM may also be regarded as a disclosure under Regulation 36 (3) of the SEBI Listing Regulations and Secretarial Standard on General meetings (SS-2) of ICSI.

Item No. 6

The appointment and remuneration of Mr. Hemant M. Shah (DIN : 00009659) as Wholetime Director designated as Executive Chairman for a term of five years from January 1, 2017 to December 31, 2021 was approved by the members by an ordinary resolution passed in the Twenty-Eighth Annual General Meeting of the Company held on September 28, 2016.

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("SEBI Amendment Listing Regulations"), with effect from April 1, 2019, the remuneration payable to Executive Directors who are promoters or member of promoter group, shall be subject to the approval of the shareholders by a Special Resolution in General Meeting, if :

- i. the aggregate annual remuneration payable to each such Executive Director exceeds Rupees 5 crore or 2.5 percent of the net profit of the Company, as calculated under Section 198 of the Companies Act, 2013, whichever is higher; or
- ii. where there is more than one such Executive Director, the aggregate annual remuneration to such Directors exceeds 5 percent of the net profit of the Company, as calculated under Section 198 of the Companies Act, 2013.

The approval given by the shareholders under this Regulation shall be valid only till the expiry of the term of such Director.

Mr. Hemant M. Shah, Executive Chairman and Mr. Vyomesh M. Shah Managing Director are the promoters or members of the promoter group.

ANNEXURE TO THE NOTICE (CONTD.)

In order to comply with the requirements of the SEBI Amendment Listing Regulations and on recommendation of the Board of Directors, approval of the members by way of a special resolution is sought for paying Mr. Hemant M. Shah remuneration as approved by the members even if such remuneration exceeds 2.5 percent of the net profit or the annual aggregate remuneration payable to Mr. Hemant M. Shah and Mr. Vyomesh M. Shah, exceeds 5 percent of the net profit of the Company as calculated under Section 198 of the Companies Act in any year during the remaining tenure of his appointment, with effect from April 1, 2019.

The Board of Directors recommends the resolution at Item No. 6 of the accompanying Notice for approval of the members as a special resolution.

Except for Mr. Hemant M. Shah and Mr. Vyomesh M. Shah who is related to Mr. Hemant M. Shah, no Director, Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise in the resolutions. The relatives of Mr. Hemant M. Shah may be deemed to be interested in the resolution to the extent of their shareholding, if any.

Item No. 7

The appointment and remuneration of Mr. Vyomesh M. Shah (DIN : 00009596) as Managing Director for a term of five years from January 1, 2017 to December 31, 2021 was approved by the members by an ordinary resolution passed in the Twenty-Eighth Annual General Meeting of the Company held on September 28, 2016.

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("SEBI Amendment Listing Regulations"), with effect from April 1, 2019, the remuneration payable to Executive Directors who are promoters or member of promoter group, shall be subject to the approval of the shareholders by a Special Resolution in General Meeting, if :

- i. the aggregate annual remuneration payable to each such Executive Director exceeds Rupees 5 crore or 2.5 percent of the net profit of the Company, as calculated under Section 198 of the Companies Act, 2013, whichever is higher; or
- ii. where there is more than one such Executive Director, the aggregate annual remuneration to such Directors exceeds 5 percent of the net profit of the Company, as calculated under Section 198 of the Companies Act, 2013.

The approval given by the shareholders under this Regulation shall be valid only till the expiry of the term of such Director.

Mr. Vyomesh M. Shah Managing Director and Mr. Hemant M. Shah, Executive Chairman are the promoters or members of the promoter group.

In order to comply with the requirements of the SEBI Amendment Listing Regulations and on recommendation of the Board of Directors, approval of the members by way of a special resolution is sought for paying Mr. Vyomesh M. Shah, remuneration as approved by the members even if such remuneration exceeds 2.5 percent of the net profit or the annual aggregate remuneration payable to Mr. Vyomesh M. Shah and Mr. Hemant M. Shah, exceeds 5 percent of the net profit of the Company as calculated under Section 198 of the Companies Act in any year during the remaining tenure of his appointment with effect from April 1, 2019.

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

Except for Mr. Vyomesh M. Shah and Mr. Hemant M. Shah who is related to Mr. Vyomesh M. Shah, no Director, Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise in the resolutions. The relatives of Mr. Vyomesh M. Shah may be deemed to be interested in the resolution to the extent of their shareholding, if any

Item No. 8

The Board of Directors of the Company in its meeting held on May 28, 2019, on the recommendation of the Audit and Compliance Committee, and subject to the approval of the members on the remuneration to be paid to the Cost Auditor, approved the appointment of Messrs D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611) as the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2020.

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 requires to be ratified by the members of the Company. Accordingly, ratification of the members is sought, as referred to in the resolution at Item No. 8 of the accompanying Notice, for the payment of the remuneration amounting to ₹5,00,000/- (Rupees Five Lakh) for cost audit plus applicable taxes and out-of-pocket expenses to the Cost Auditor for the Financial Year ending March 31, 2020.

The Board recommends the resolution at Item No. 8 of the accompanying Notice for the approval of the members.

None of the Directors, 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. 9

Section 42 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the Rules), 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 30th Annual General Meeting of the Company held on September 27, 2018, 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 during the Financial Year ended March 31, 2019.

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 or premium depending upon the then prevailing market conditions.

Accordingly, the consent of the members is sought for passing the special resolution as set out at Item No. 9 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 on a private placement basis, as may be required by the Company, from time to time upto an aggregate amount not exceeding ₹ 5,000/- crore for a period of one year from the date of passing of this resolution.

The Directors recommend the special resolution at Item No. 9 of the accompanying Notice for your approval.

Save and except for the shares of the Company held by them, 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.

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

Vyomesh M. Shah
Managing Director
DIN : 00009596

Mumbai
August 14, 2019

Details of Directors seeking reappointment in the ensuing Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of Secretarial Standard SS- 2 on General Meetings

| Name of the Directors | Mr. Abhijit Datta | Mr. Sunil C. Shah |
|--|---|---|
| Particulars | DIN: 00790029 | DIN: 06947244 |
| Category | Independent Non-Executive | Independent Non-Executive |
| Age | 69 years | 59 years |
| Date of first appointment on Board | May 16, 2011 | August 14, 2014 |
| Qualification | Graduation and post graduation in Economics from University of Calcutta Certified Associate of Indian Institute of Bankers (CAIIB) | Science graduate |
| Experience in functional area | Over 47 years | Over 37 years |
| Nature of expertise in specific functional areas. | Accounts, Finance, Taxation, Banking and Management | Project management, strategic planning and business administration |
| Terms and conditions of appointment / reappointment along with details of remuneration sought to be paid | Appointment for second term of 5 (five) consecutive years upto September 25, 2024 and not liable to retire by rotation. Entitled to payment of sitting fees for attending meetings of the Board /Committees of which he is a member and commission as may be decided by the Board. | Appointment for second term of 5 (five) consecutive years upto September 25, 2024 and not liable to retire by rotation. Entitled to payment of sitting fees for attending meetings of the Board /Committees of which he is a member and commission as may be decided by the Board. |
| Remuneration last drawn | During the financial year 2018-2019, sitting fees of ₹ 2,30,000 was paid for attending Board and other Committee meetings. Commission of ₹ 5.08 lakh payable for 2018-2019. | During the financial year 2018-2019, sitting fees of ₹ 3,70,000 was paid for attending Board and other Committee meetings. Commission of ₹ 5.08 lakh payable for 2018-2019. |
| No. of shares held as on March 31, 2019 (either singly or as first named joint shareholder only) | Nil | Nil |
| Relationship with other Directors, Manager and Key Managerial Personnel | None | None |
| No. of Board meetings attended during the year | 2 | 6 |
| Directorships in other companies as on March 31, 2019 (Public Limited Companies) | Bengal Tea & Fabrics Limited Cable Corporation of India Limited Emami Realty Limited | None |
| Membership / Chairmanship of Committees of other public limited companies (Audit Committee and Stakeholders Relationship Committee only) | Bengal Tea & Fabric Limited Chairman – Audit Committee Member – Stakeholders' Relationship Committee Cable Corporation of India Limited Chairman – Audit Committee | None |

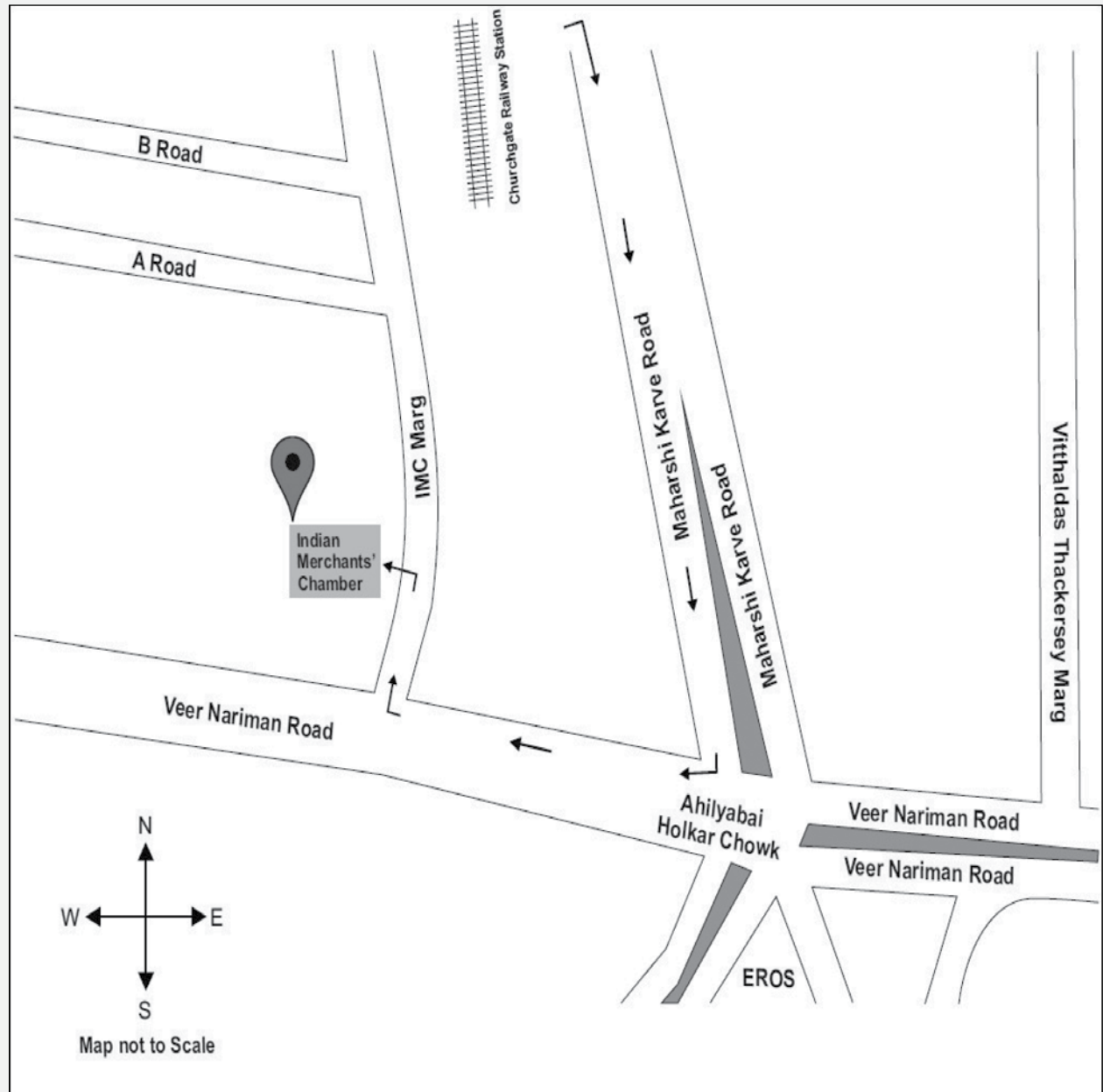
HUBTOWN

Details of Director seeking reappointment in the ensuing Annual General Meeting pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of Secretarial Standard SS- 2 on General Meetings

| Name of the Directors | Mr. Mahesh A. Kuvadia | Mrs. Priti K. Shah |
|--|---|---|
| Particulars | DIN: 07195042 | DIN: 01880436 |
| Category | Independent Non-Executive | Non-Executive |
| Age | 65 years | 48 years |
| Date of first appointment on Board | June 12, 2019 | August 14, 2014 |
| Qualification | B. Com (Hons), LLB, FCS | Commerce graduate |
| Experience in functional area | Over 36 years | Over 16 years |
| Nature of expertise in specific functional areas. | Vast and varied experience in the field of corporate laws and allied legislation. | Business management and administration |
| Terms and conditions of appointment / reappointment along with details of remuneration sought to be paid | Appointment for first term of 5 (five) consecutive years from June 12, 2019 to June 11, 2024 and not liable to retire by rotation. Entitled to payment of sitting fees for attending meetings of the Board / Committees of which he is a member and commission as may be decided by the Board. | Will be liable to retire by rotation. Entitled to payment of sitting fees for attending meetings of the Board / Committees of which she is a member and commission as may be decided by the Board. |
| Remuneration last drawn | Not applicable | During the financial year 2018-2019, sitting fees of ₹ 2,20,000 was paid for attending Board and other Committee meetings. Commission of ₹ 5.08 lakh payable for 2018-2019. |
| No. of shares held as on March 31, 2019 (either singly or as first named joint shareholder only) | Nil | Nil |
| Relationship with other Directors, Manager and Key Managerial Personnel | None | None |
| No. of Board meetings attended during the year | Not applicable | 6 |
| Directorships in other companies as on March 31, 2019 (Public Limited Companies) | Kesar Enterprises Limited IL&FS Solar Power Limited Aishwarya Telecom Limited | None |
| Membership / Chairmanship of Committees of other public companies (Audit Committee and Stakeholders Relationship Committee only) | Kesar Enterprises Limited Member - Audit Committee Chairman - Stakeholders Relationship Committee Aishwarya Telecom Limited Member – Audit Committee Member – Stakeholder Relationship Committee | None |

ANNEXURE TO THE NOTICE (CONTD.)

ROUTE MAP TO THE VENUE OF 31ST AGM OF HUBTOWN LIMITED



AGM Venue Address:

Walchand Hirachand Hall, 4th Floor,
Indian Merchants Chamber Building,
Indian Merchants Chamber Marg,
Churchgate. Mumbai - 400020

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To
The Members,

Your Directors have pleasure in presenting their Thirty-first Annual Report and the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended March 31, 2019 together with the Independent Auditors' Report thereon.

1. FINANCIAL PERFORMANCE :

The standalone and consolidated financial highlights of your Company for the financial year ended March 31, 2019 are summarized below:

(₹ in lakh)

| | STANDALONE | | CONSOLIDATED | |
|--|----------------|----------------|----------------|----------------|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Income from Operations | 41405 | 34187 | 47078 | 56268 |
| Total Income | 49029 | 60521 | 54888 | 85322 |
| Total Expenses | 48733 | 58079 | 54919 | 87825 |
| Profit / (Loss) before Tax | 296 | 2442 | (31) | (2503) |
| Profit / (Loss) for the year | (709) | 2654 | (1551) | (2636) |
| Add : Other Comprehensive Income | 31 | 12 | 37 | 8 |
| Total Comprehensive Income for the year | (678) | 2666 | (1514) | (2628) |
| Less : Total Comprehensive Income attributable to Non-controlling Interest | ---- | ---- | (47) | (19) |
| Total Comprehensive Income attributable to owners of the Company | ---- | ---- | (1467) | (2609) |
| Balance brought forward from the Previous Year | 74503 | 71837 | 50290 | 52899 |
| Balance carried to Balance Sheet | 72446 | 74503 | 48341 | 50290 |
| Earnings per Share before Extraordinary Item (₹) (EPS) | (0.98) | 3.65 | (2.07) | (3.60) |
| Earnings per Share after Extraordinary Item (₹) (EPS) | (0.98) | 3.65 | (2.07) | (3.60) |

2. OPERATIONAL PERFORMANCE :

Standalone and Consolidated Financials

Standalone Financials

- Income from operations stood at ₹ 41405 lakh as against ₹ 34187 lakh in the previous year representing an increase of 21.11 % ;
- Total Income stood at ₹ 49029 lakh, lower by 19 % as against ₹ 60521 lakh in the previous year;
- Total Expenses stood at ₹ 48733 lakh as against ₹ 58079 lakh in the previous year ;
- Profit before Tax was ₹ 296 lakh as against ₹ 2442 lakh in the previous year;
- Loss for the year was ₹ (709) lakh as against profit of ₹ 2654 lakh in the previous year;
- Earning per Share before and after Extraordinary Item was ₹ (0.98) as against ₹ 3.65 in the previous year ; and
- Networth of the Company stood at ₹ 173431 lakh as against ₹ 175488 lakh in the previous year.

Consolidated Financials:

- Income from operations stood at ₹ 47078 lakh as against ₹ 56268 lakh in the previous year lower by 16.33 %;
- Total income stood at ₹ 54888 lakh as against ₹ 85322 lakh in the previous year lower by 35.67 %;
- Total Expenses stood at ₹ 54919 lakh as against ₹ 87825 lakh in the previous year;
- Loss before Tax was ₹ (31) lakh as against loss of ₹ (2503) lakh in the previous year;
- Loss after Tax and Other Items was ₹ (1551) lakh as against loss of ₹ (2636) lakh in the previous year;
- Earning per Share before and after Extraordinary Item was ₹ (2.07) as against ₹ (3.60) Lakh in the previous year ; and
- Networth of the Company stood at ₹ 162416 lakh as against ₹ 164401 lakh in the previous year.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

3. DIVIDEND:

In view of the loss incurred, the Directors have not recommended any dividend on the equity shares for the Financial Year ended March 31, 2019.

4. DIVIDEND DISTRIBUTION POLICY :

The provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to framing of 'Dividend Distribution Policy' are presently not applicable to the Company.

5. TRANSFER TO RESERVES:

In view of the loss incurred for the Financial Year 2018-2019, no amount is proposed to be transferred to any reserves.

6. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the unclaimed dividend amount of ₹ 1,41,997 /- for the Financial Year 2010-2011 was transferred to the Investor Education and Protection Fund (IEPF) after giving due notices to the members. During the Financial Year 2019-2020, the dividend declared by the Company for the Financial Year 2011-2012 remaining unclaimed in terms of Section 124 of the Companies Act, 2013 will be transferred to IEPF.

7. CHANGES IN SHARE CAPITAL:

The paid-up equity share capital of the Company as on March 31, 2019 was ₹ 7273.59 lakh. During the year under review, the Company has not issued any shares with differential rights or sweat equity shares. Presently, the Company does not have any stock option scheme for its employees.

8. DEBENTURES:

During the year under review, the Company has not made any fresh issue of debentures.

9. REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT :

During the year under review, no revision was made in the previous financial statements or the Board's Reports.

10. DISCLOSURE IN RESPECT OF VOTING RIGHTS NOT DIRECTLY EXERCISED BY EMPLOYEES :

There are no shares held by trustees for the benefit of employees and hence no disclosure is required under Regulation 16 (4) of the Companies (Share Capital and Debentures) Rules, 2014.

11. CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the year under review.

12. 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:

Projects Completed:

| | |
|---|---|
| Hubtown Heaven - Matunga (East) 'C' Wing | Hubtown Solaris – Andheri (East) – Phase II |
| Hubtown Greenwoods, Thane, Phase II | Joyos Hubtown, Vadodara – Phase I |
| Hubtown Sunstone – Bandra (East) – Phase – II | Joyos Hubtown, Surat – Phase I |
| Palmrose, Andheri (East) | |

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Ongoing Projects – Residential :

| | |
|--|--|
| Hubtown Seasons – Chembur | Tulsiwadi Project, Mahalaxmi, Mumbai |
| Hubtown Greenwoods – Thane Phase – III | Hubtown Celeste – Worli |
| Hubtown Vedant – Sion (East) – Phase – II | Hubtown Premiere – Andheri (West) |
| Hubtown Sunstone – Bandra (East) – Phase – III | Rising City – Ghatkopar-Mankhurd Link Road |
| Hubtown Countrywoods Phase III – Kondhwa, Pune | Twenty Five South - Prabhadevi |
| Andheri (East) Affordable Housing Project | |

Ongoing Projects – Commercial :

| | |
|---|--|
| Hubtown Solaris Phase – II – Andheri (East) | Joyos Hubtown – Surat |
| Hubtown North Star – Ahmedabad | Joyos Hubtown Phase II – Mehsana |
| Joyos Hubtown – Vadodara Phase II | Hubtown Viva – Phase – II, Jogeshwari (East) |

IT SEZ and Township:

Ongoing

Sunstream City Phase – I - Mulund-Thane

Future Projects

Residential Projects

Bandra (E)-Affordable Housing Project
 Pune-Affordable Housing Project
 Worli Sea Face-Redevelopment Project
 Thane-Affordable Housing Project

13. MANAGEMENT DISCUSSION AND ANALYSIS :

The Management Discussion and Analysis, forming part of the Board Report for the year under review as prescribed under Regulation 34 (2) (e) read with Schedule V to the SEBI Listing Regulations is discussed hereinbelow :

INDIAN ECONOMY :

The real GDP growth or Gross Domestic Product (GDP) growth of Indian economy in the year 2018-19 is estimated at 6.81 percent as compared to the growth rate of 7.17 percent in 2017-18. The growth in gross domestic product was slowest since 2014-15. The previous low was 6.39% in 2013-14. The liquidity constraint on non-banking finance companies also hit consumer demand and further contributed to the slowdown.

Despite the positive outlook, the economy remains vulnerable to domestic and geopolitical risks, especially economic and political changes that can affect relative prices and hurt current and fiscal account deficit.

** REAL ESTATE SECTOR OVERVIEW

The real estate sector in India entered a revitalisation mode during 2018 where the teething problems posed by various regulatory reforms started settling in. So, at the beginning of the year 2018, the sector hoped that the worst was behind and things would only improve thereon. But all of the green shoots vanished when the NBFC crisis struck in September 2018. As a result, the banks, which were primary source of funds for NBFCs and mutual funds, refrained funding NBFCs, which eventually squeezed their capacity to extend funds to developers, thereby affecting capital flow in the real estate sector. The NBFC crisis gave a tough time to the real estate sector as the developers were under pressure with liquidity crunch on one side and delivery pressure under RERA on the other. The NBFCs slowed down their lending to the ongoing projects which severely impacted the completion of real estate projects.

With funding to real estate sector from NBFCs and HFCs almost coming to a trickle, lending to real estate sector entered a difficult phase. Interest rates increased by nearly 150 basis points for those in need of funds. This pushed up the cost of capital and eventually the cost of the project.

Funds flow from Non-banking Finance Companies (NBFCs) to the liquidity starved real estate sector is expected to dry up further after DHFL's recent downgrade, as other NBFCs wait out the latest uncertainty. Not just NBFCs, the funding challenges will hit the real estate sector's recovery and put pressure on property prices too.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

** SEGMENT WISE PERFORMANCE :

Residential :

Residential segment contributes nearly 80 percent to the overall real estate development in the country. So far, 2018 has been a mixed year for the segment. While on one hand the policy push for affordable housing is reviving the segment from the downfall witnessed over the last few years in term of both new launches and sales, but buyers are still cautious while investing money in residential properties. Lifestyle premium housing remains sluggish, while affordable housing as a segment, is increasingly gaining traction. During 2018, the no. of units launched witnessed 76 percent Y-O-Y growth (2017 : 103,570 units; 2018 : 182207 units) and a more modest 6 percent Y-O-Y growth for sales (2017 : 228072 units ; 2018 : 242328 units).

Commercial :

The commercial real estate retained its status as the most buoyant sector in 2018. This segment gained and continues to gain traction across major cities. Demand for Grade 'A' office space is growing and vacancy levels are declining in prime locales. During 2018, the office space supply witnessed 13 percent Y-O-Y growth (2017 : 32.7 mn. sq. ft; 2018 : 36.9 mn. sq. ft.), the highest Y-O-Y increase in this decade and office space transaction witnessed 12 percent Y-O-Y growth (41.8 mn. sq. ft. ; 2018 : 46.8 mn. sq. ft.).

** - Sources :

- Knight Frank Report – India Real Estate - Residential and Office (July 2018 to December 2018)
- KPMG –NAREDCO Report – Indian real estate and construction consolidating for growth.

THREATS, RISKS AND CONCERNS :

Regulatory Hurdles

Unfavourable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regard to land acquisition, land use, project launches and construction approvals.

Funding Problems

Absence of long term funding from banks and now NBFCs and HFCs is forcing the developers to look at alternative sources of funding, most of which do not offer affordable interest rates.

RISKS :

- Demand Risk
- Cost Risk
- Project Execution Risk
- Funding Risk

OUTLOOK :

The liquidity crisis is perhaps the most serious hurdle that the real estate sector faced in 2018, and will continue to face in 2019. Unless this is resolved, the growth forecast for the Indian real estate sector will remain sombre in 2019.

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 endeavors 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 232 employees on its payroll as on March 31, 2019.

INTERNAL CONTROL SYSTEMS

The Company has adequate internal control systems, commensurate with the size and nature of its business. Well documented policies and procedures to monitor business and operational performance are supported by IT systems, all of which are aimed at ensuring business integrity and promoting operational efficiency. A firm of internal auditors appointed by the Company conducts periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with laws and regulations. Their scope of work includes internal controls on accounting, efficiency and economy of operations. The internal auditors also report on the implementation of their recommendations.

Reports of the Internal Auditors are regularly reviewed at the Audit and Compliance Committee meetings. The Audit and Compliance Committee also reviews the adequacy and effectiveness of the internal control systems and suggests improvements, when so required.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS :

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25 percent or more as compared to the immediately previous financial year) in key financial ratios.

| Sr. No. | Particulars of Ratio | Ratio 2018-2019 | Ratio 2017-2018 | Percentage Change |
|---------|-----------------------------|-----------------|-----------------|-------------------|
| i | Debtors Turnover Ratio ^ | 1.17 | 0.91 | 28.57 % |
| ii | Inventory Turnover Ratio ^^ | 0.38 | 0.14 | 171 % |
| iii | Interest Coverage Ratio | 1.03 | 1.08 | (4.63 %) |
| iv | Current Ratio | 1.03 | 0.99 | 4.04 % |
| v | Debt Equity Ratio | 0.43 | 0.43 | No change |
| vi | Operating Profit Margin * | 0.30 % | 1.08 % | (72.22 %) |
| vii | Net Profit Margin * | (1.71) % | 7.76 % | (122 %) |
| viii | Return on Networth * | (0.41) % | 1.55 % | (126.45 %) |

^ - increase in Debtors turnover ratio is on account of impact of Ind AS – 115 'Revenue from Contracts with Customers'.

^^ - increase in Inventory turnover ratio is on account of impact of Ind AS – 115 'Revenue from Contracts with Customers'.

* - changes in these ratios are due to lower operating profits and loss incurred during the year. Profitability was impacted due to slowdown in various sectors of the economy including real estate sector.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Directors:

Mr. Shailesh Hingarh, Independent Director stepped down from the Board of Directors of the Company owing to his other commitments, with effect from March 1, 2019. The Board places on record its sincere appreciation for the invaluable contribution by Mr. Shailesh Hingarh to the deliberations of the meetings of the Board and of the Committees of the Board of which he was a member during his tenure as Director of the Company.

Subsequent to the close of the year under review, the Board appointed Mr. Mahesh A. Kuvadia as a Director as an Additional Director, designated as Non-Executive Independent Director with effect from June 12, 2019 to hold office up to the date of the ensuing Annual General Meeting. Being eligible, Mr. Mahesh A. Kuvadia has offered himself to be appointed as an Independent Director of your Company.

The first term of office of Mr. Abhijit Datta and Mr. Sunil C. Shah as Independent Directors, will expire on September 25, 2019.

In accordance with the provisions of Sections 149 (10) and (11) of the Companies Act, 2013, an independent director shall hold office for a term upto five consecutive years on the Board of a company, but shall be eligible for reappointment for another term of five consecutive years on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

The Board of Directors in its meeting held on May 28, 2019 has, based on the recommendation of the Nomination and Remuneration Committee, recommended the reappointment of Mr. Abhijit Datta and Mr. Sunil C. Shah as Independent Directors of the Company for a second term of 5 (five) consecutive years, subject to the approval of the members by way of special resolutions at the ensuing Annual General Meeting.

In the opinion of the Board and based on the Board's evaluation, Mr. Datta and Mr. Shah fulfil the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their reappointment as Independent Non-Executive Directors of the Company and both are independent of the management of the Company. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

In accordance with the provisions of Section 152 (6) (e) of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Priti K. Shah (DIN: 01880436) Non-Executive Non-Independent Director retires by rotation at the ensuing Annual General Meeting, and being eligible, offers herself for re-appointment. Mrs. Priti K. Shah is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013. The resolution for her reappointment has been incorporated in the Notice convening the ensuing Annual General Meeting.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Brief resume of Mr. Mahesh A. Kuvadia, Mr. Abhijit Datta, Mr. Sunil C. Shah and Mrs. Priti K. Shah, nature of their expertise in specific functional areas, names of companies in which they are directors and members of Board committees and shareholding in the Company as required under Regulation 36 (3) of the SEBI Listing Regulations read with clause 1.2.5 of Secretarial Standards SS -2 on general meetings, is furnished in the annexure to the Notice convening the Annual General Meeting.

During the year under review, the Independent Directors and Non-Executive Director of the Company had no pecuniary relationship or transactions with the Company.

Except for the Executive Chairman and the Managing Director who are related to each other being brothers, none of the other Directors of the Company are inter-se related to each other.

Changes in Key Managerial Personnel (KMP) :

Mr. Chetan S. Mody resigned as Company Secretary and Compliance Officer of the Company with effect from April 8, 2019.

Mr. Nimesh Shah who was appointed as Company Secretary and Compliance Officer of the Company with effect from April 15, 2019 resigned with effect from June 6, 2019.

Mrs. Nancy Pereira resigned as Chief Financial Officer and KMP of the Company with effect from the close of office hours on July 5, 2019 for assuming a new role within Hubtown Group. Mr. Sunil Mago was appointed as Chief Financial Officer and KMP of the Company under Section 203 of the Companies Act, 2013 with effect from July 5, 2019.

15. CONTINUATION OF PAYMENT OF REMUNERATION TO EXECUTIVE DIRECTORS OF THE COMPANY WHO ARE PROMOTERS OR MEMBERS OF THE PROMOTER GROUP :

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("SEBI Amendment Listing Regulations"), the remuneration payable to Executive Directors who are promoters or member of promoter group, shall be subject to the approval of the shareholders by special resolution in General Meeting, if :

- i. the aggregate annual remuneration payable to each such Executive Director exceeds Rupees 5 crore or 2.5 percent of the net profit of the Company, as calculated under Section 198 of the Companies Act, 2013, whichever is higher; or
- ii. where there is more than one such Executive Director, the aggregate annual remuneration to such Directors exceeds 5 percent of the net profit of the Company, as calculated under Section 198 of the Companies Act, 2013.

The approval given by the shareholders under this Regulation shall be valid only till the expiry of the term of such Director.

Since Mr. Hemant M. Shah, Executive Chairman and Mr. Vyomesh M. Shah, Managing Director are promoters of the Company, the payment of remuneration to each of them either individually or taken together for the remaining tenure of their respective offices exceeding the threshold limits would require special resolutions.

The Board of Directors in its meeting held on April 15, 2019 has, based on the recommendations of the Nomination and Remuneration Committee, recommended to the members, the passing of the special resolutions as aforesaid. The Notice convening the ensuing Annual General Meeting includes the special resolutions for the aforesaid matters.

16. 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 and that there has been no change in the circumstances which may affect their status as Independent Directors during the year.

17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS :

The details of familiarization programme for Independent Directors held during and upto the year 2018-2019 have been disclosed on the website of the Company and is available at the link <http://www.hubtown.co.in/investors/codesandpolicies>.

18. PAYMENT OF REMUNERATION/COMMISSION TO EXECUTIVE DIRECTORS FROM SUBSIDIARY COMPANIES :

During the year under review, neither the Executive Chairman nor the Managing Director was in receipt of any remuneration/commission from any of the subsidiary companies of the Company. The Company has no holding company.

19. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS :

The Board of Directors met 06 (Six) times during the financial year ended March 31, 2019 in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and Regulation 17 (2) of the SEBI Listing Regulations. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013, Secretarial Standard SS – 1 on Board meetings and the SEBI Listing Regulations. Additionally, during the year ended March 31, 2019, 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 the SEBI Listing Regulations. For further details, kindly refer to the section on Corporate Governance forming part of this Annual Report.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

20. COMMITTEES OF THE BOARD:

There are currently Six (6) Committees of the Board, which are as under:

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

Subsequent to the close of the year under review, the Board of Directors reconstituted the Audit and Compliance Committee and Stakeholders' Relationship Committee in order to meet with the requirements of Regulations 18 and 20 respectively of the SEBI Listing Regulations.

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.

21. AUDIT AND COMPLIANCE COMMITTEE :

The Audit and Compliance Committee comprises of three Independent Directors namely Mr. Abhijit Datta, Mr. Sunil Shah Mr. Mahesh Kuvadia and one Executive Non-Independent Director, Mr. Vyomesh M. Shah. Mr. Shailesh Hingarh ceased to be a member of the Audit and Compliance Committee consequent his resignation from the Board of Directors of the Company with effect from March 1, 2019. Subsequent to the close of the year under review, Mr. Mahesh A. Kuvadia, Non-Executive Independent Director was appointed as a member of the Committee on June 12, 2019. Kindly refer to the section on 'Corporate Governance' under the heading 'Audit and Compliance Committee' for details relating to terms of reference, meetings and functions of the said Committee.

22. AUDIT AND COMPLIANCE COMMITTEE RECOMMENDATIONS :

During the year under review, the Board has accepted all the recommendations put forth by the Audit and Compliance Committee from time to time.

23. INTERNAL FINANCIAL CONTROLS:

The Company has in place an adequate system of internal controls commensurate with the size and nature of its business, which ensures that transactions are recorded, authorized and reported correctly apart from safeguarding its assets against loss from wastage, unauthorized use and removal. Significant audit observations and follow-up action thereon are reported to the Audit and Compliance Committee.

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 2018-2019.

24. ANNUAL PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Part 'D' of Schedule II to the SEBI Listing Regulations, the performance evaluation of every Director was carried out by the Nomination and Remuneration Committee. Further, the Independent Directors at their separate meeting held during the year, evaluated the performance of the Board as a whole, Committees thereof, and Non-Executive Director. The Independent Directors also evaluated the performance of the Chairman after taking into account the views of the Executive and Non-Executive Directors. The performance of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. Structured questionnaire were prepared in accordance with the SEBI guidelines on Board evaluation covering various aspects of evaluation such as adequacy of size and composition of the Board and Committees thereof, attendance at meetings, preparedness on issues to be discussed, etc. including some specific ones for the Independent Directors were circulated to all the Directors for evaluation process.

In addition, the Independent Directors were also evaluated on the basis of fulfilment of independence criteria and independence from the management as required under the SEBI Listing Amendment Regulations, 2018.

The Board of Directors carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Companies Act, 2013 and the corporate governance requirements as prescribed by the SEBI Listing Regulations.

25. NOMINATION AND REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination and Remuneration Committee, adopted a revised policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and the remuneration payable to them as mandated by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The details of the policy are furnished in **Annexure – 'A'** which is appended to this Report. The policy is also available on the Company's website at the link: <http://www.hubtown.co.in/investors/codesandpolicies>.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

26. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (3) (c) of Sections 134 (3) (c) and 134 (5) of the Companies Act, 2013, in relation to the annual financial statements of the Company for the year ended March 31, 2019, 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, 2019, the applicable accounting standards read with the requirements under Schedule III to the said Act had been followed along with proper explanation relating to material departures, if any;
- (ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that were 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, 2019, and of the loss of the Company for the year ended on that date;
- (iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they had prepared the annual accounts on a 'going concern' basis;
- (v) they had laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- (vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

27. CONSOLIDATED FINANCIAL STATEMENTS :

The audited Consolidated Financial Statements prepared in accordance with the applicable Indian Accounting Standards alongwith the Notes thereon and the Auditors' Report forms part of this Annual Report.

28. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

As on March 31, 2019, the Company had 20 subsidiaries, 4 associates and 8 joint venture companies.

During the year under review, Sanas Developers Private Limited became a subsidiary and Heet Builders Private Limited ceased to be a subsidiary. Further, E Commerce Magnum Solution Limited became a subsidiary and also ceased to be a subsidiary during the year under review. Two subsidiaries namely ABP Realty Advisors Private Limited and India Development and Venture Capital Private Limited, have applied to the Registrar of Companies under Section 248 of the Companies Act, 2013 for having their respective names struck off from the Register of Companies and the applications are under process.

The Board of Directors has approved the merger of 7 (seven) subsidiaries namely Citygold Farming Private Limited, Devkrupa Build Tech Limited, Halitious Developer Limited, Headland Farming Private Limited, Heddle Knowledge Private Limited, Upvan Lake Resorts Private Limited and Urvi Build Tech Limited with Citygold Education Research Limited also a subsidiary company, subject to requisite approvals from regulatory authorities.

The Company did not have any material subsidiary company as on March 31, 2019. There has been no change in the nature of business of any of the said subsidiaries, associates and joint venture companies.

The Policy for determining 'material subsidiary' under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as approved by the Board of Directors is posted on the Company's website at the link: <http://hubtown.co.in/investors/codeandpolicies>.

In accordance with the 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/investors/codeandpolicies>. Further, as per fourth proviso of the said Section, the audited annual accounts of the subsidiaries have also been placed on the website of the Company at the link: <http://hubtown.co.in/investors/codeandpolicies>.

The Company will make available the financial statements of its subsidiaries, joint venture companies and associates (collectively referred to as 'Subsidiaries') and the related information to any member of the Company who may be interested in obtaining the same. The financial statements of the Subsidiaries 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 upto the date of the Annual General Meeting.

During the financial year ended March 31, 2019, the Company did not have any material subsidiary, and, therefore, the provisions of Regulation 24 (1) of the SEBI Listing Regulations were not applicable to the Company.

Additional information as required under Schedule III to the Companies Act, 2013 in respect of entities consolidated as subsidiaries/associates/ jointly controlled entities is furnished in Note 3.1 to the consolidated financial statements.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

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

The 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, associates and joint venture companies for the financial year ended March 31, 2019 in the prescribed **Form AOC-1** forms part of the notes to the financial statements.

30. AUDITORS :

STATUTORY AUDITORS :

The shareholders of the Company had, at the Twenty Ninth Annual General Meeting of the Company held on October 30, 2017, appointed M/s. M. H. Dalal & Associates, Chartered Accountants (Firm Registration No. : 112449W) as Statutory Auditors of the Company to hold office until the conclusion of the Thirty Fourth Annual General Meeting to be held in the calendar year 2022, to conduct the audit of the accounts of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

Pursuant to amendment to Section 139 (1) of the Companies Act, 2013, ratification of appointment of Statutory Auditor at every Annual General Meeting is not required.

As required under the provisions of Section 139(1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the Statutory Auditors to the effect that they are eligible to continue as Statutory Auditor of the Company.

Further, the Directors of your Company confirm that no instances of fraud were 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.

AUDITORS' REPORT AND AUDIT QUALIFICATIONS AND OBSERVATIONS :

The Auditors in their reports on the standalone and consolidated financial statements for the year ended March 31, 2019 have expressed qualified opinions and the Directors have to state as hereunder: (a) the Company has not provided interest amounting to ₹ 21,713.04 lakhs on certain inter-corporate deposits as the Company is in the process of re-negotiating the terms/ waiver of interest by respective lenders; and (b) the Company has not recognised finance income from Deep Discount Bonds amounting to ₹ 22,025.05 lakhs held in one of its joint venture entities as the terms of issue of the said Bonds and redemption premium are under negotiation with the Issuer.

The Auditors in their reports on the standalone and consolidated financial statements for the year ended March 31, 2019 have drawn attention to certain notes and footnotes to the respective financial statements under the heading " Emphasis of Matter" and share of profit from investment in partnership firm/ joint ventures in the standalone financial statements which are self explanatory and do not call for any further information / elaboration.

The Auditors have made certain observations in clauses (vii) (a) and (viii) of the Annexure referred to in the Audit Report on the Standalone Financial Statements in respect of delay in deposit of statutory liabilities with the appropriate authorities and delay in payment of principal and interest on borrowings and debentures and the response of your Directors is hereunder:

'The Company, due to continued recession in the real estate owing to slow down in demand, is facing tight liquidity crunch as a result of which it could not make timely payment of principal and interest on borrowings, debentures and discharge of its statutory liabilities. Also, the Company continues to face lack of adequate sources of finance to fund execution and completion of ongoing projects resulting in lower availability of funds to discharge its liabilities. The Company is continuously exploring alternative sources of finance to generate adequate cash flows for meeting these obligations and to overcome the liquidity crunch.'

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 Registration No. : 000611) as Cost Auditors to conduct the audit of the cost records maintained by the Company for the year ending March 31, 2020. M/s. D. C. Dave & Co., Cost Accountants have confirmed that their appointment is within the limits of Section 141 (3) (g) of the Companies Act, 2013 and have also certified that they are free from any disqualification specified under Section 141 and proviso to Section 148 (3) of the Act. Pursuant to Section 148 of the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified by the members in the ensuing Annual General Meeting. The resolution pertaining to ratification of the remuneration payable to the Cost Auditor forms part of the Notice of the ensuing AGM.

COST AUDIT REPORT:

The Cost Audit Report for the Financial Year 2018-2019 pursuant to the Companies (Cost Accounting Records) Rules, 2011 will be filed within the period stipulated under the Companies Act, 2013.

SECRETARIAL AUDITOR:

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.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

SECRETARIAL AUDIT REPORT:

The Secretarial Audit for the financial year ended March 31, 2019 pursuant to Regulation 24A of the SEBI Listing Amendment Regulations, 2018 is appended as **Annexure – 'B'** to this Report.

REPLIES TO SECRETARIAL AUDITOR'S QUALIFICATIONS:

- (1) As regards Secretarial Auditor's qualification with respect to signing of financial statements for the year ended March 31, 2019 under Section 134(1) of the Companies Act, 2013, the Directors state that since the Company Secretary was out of India on the date of the Board Meeting i.e. May 28, 2019 in which the said financial statements were approved, he has not signed the said financial statements.
- (2) As regards Secretarial Auditor's qualification regarding non-compliance with Regulation 25 (6) of the SEBI Listing Regulations and provision of the para 2 of Clause VI of Schedule IV to the Companies Act, 2013, the Directors state that the delay in the appointment of an Independent Director within the prescribed timeline was entirely due to circumstances beyond the control of the Board and the Management and without mala fide intention.

The Company has filed the Annual Secretarial Compliance Certificate from M/s. Ashish Bhatt & Associates, practicing company secretary within the prescribed time line pursuant to Regulation 24A of the SEBI Listing Amendment Regulations 2018.

31. EXTRACT OF ANNUAL RETURN:

An extract of Annual Return for the financial year ended March 31, 2019 in Form MGT – 9 as required under Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as **Annexure 'C'** to this Report. The said return is also available on the website of the Company at the link <http://www.hubtown.co.in/investors/codesandpolicies>.

32. MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this Report.

33. DEPOSITS:

During the year under review, the Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013.

34. VIGIL MECHANISM:

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 read with Regulation 4 (2) (d) (iv) of the SEBI Listing Regulations, the Company has established vigil mechanism by adopting a Whistle Blower Policy for Stakeholders including Directors and employees of the Company to report their genuine concerns in the prescribed manner, to freely communicate their concerns / grievances about illegal or unethical practices in the Company, actual or suspected, fraud or violation of the Company's Codes or Policies. The vigil mechanism is overseen by the Audit and Compliance Committee and provides adequate safeguard against victimization of stakeholders who use such mechanism. During the year under review, no such incidence was reported and no person was denied access to the Chairman of the Audit and Compliance Committee.

The Whistle Blower Policy is available on the Company website at the link: <http://www.hubtown.co.in/investors/codeandpolicies>.

35. RISK MANAGEMENT:

Presently, the provisions of Regulation 21 of the SEBI Listing Regulations relating to the 'Risk Management Committee' are not applicable to the Company. However, the Board of Directors has constituted a 'Risk Management Committee' under Clause 49 of the erstwhile Listing Agreement and 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. The details of the Risk Management Committee are provided in the Section on 'Corporate Governance' forming part of this Annual Report.

36. PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

As the Company is engaged in the business of 'real estate development' included in the term 'Infrastructure Facilities' as defined in Clause (8) (a) of Schedule VI to the Companies Act, 2013, the provisions of Section 186 of the said Act related to loans made, guarantees given or securities provided are not applicable to the Company. Kindly refer the financial statements for the loans, guarantees and investments given/made by the Company as on March 31, 2019.

PARTICULARS OF LOANS AND ADVANCES :

The details of loans and advances, which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34 (3) read with Schedule V Part A (2) to the SEBI Listing Regulations are provided in the standalone financial statements at Note No. 34.

37. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions with related parties that were entered by the Company during the year under review were in the ordinary course of business and on an arm's length basis. During the year, there were no contracts / arrangements / transactions with related parties, which could be considered material under Section 188 of the Companies Act, 2013. Accordingly, the disclosure of particulars of related party transactions as required under Section 134 (3) of the Companies Act, 2013 in Form AOC -2 is not applicable for the year under review.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

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.

The Policy for determining the materiality of related party transactions and dealing with related party transactions as approved by the Board pursuant to Regulation 23 of SEBI Listing Regulations is uploaded on the Company's website at the link: <http://www.hubtown.co.in/investors/codeandpolicies>.

Attention of members is drawn to the disclosure of transactions with related parties as set out in Notes to Accounts – Note No. 33 forming part of the standalone financial statements.

Further, in terms of Regulation 34 (3) read with Schedule V, Part A (2A) to the SEBI Listing Regulations, details of the transactions of the Company with any person or entity belonging to the promoter/promoter group holding 10 % or more shareholding in the Company in the format prescribed in the relevant accounting standard for annual results are given in Note No. 33 (on related party transactions) to the standalone financial statements.

38. 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 the going concern status and the Company's operations in future.

39. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

The Corporate Social Responsibility Committee has formulated the policy on Corporate Social Responsibility (CSR) indicating the activities to be undertaken by the Company, which has been uploaded on the Company's website at the link: <http://hubtown.co.in/investors/codeandpolicies>.

The annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in **Annexure 'D'** appended to this Report.

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

The Company has put in place a 'Policy on Prevention of Sexual Harassment at Workplace' in line with the Sexual Harassment of Women at Workplace (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 such complaints were received by the Committee for redressal and that adequate access was provided to any complainant who wished to register a complaint under the Policy. The said Policy is available on the website of the Company at <http://www.hubtown.co.in/investors/codesandpolicies>.

41. CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated under the SEBI Listing Regulations forms an integral part of this Annual Report. The requisite certificate from a practicing company secretary confirming compliance with the conditions of Corporate Governance as stipulated under Part 'E' of Schedule V to the SEBI Listing Regulations is appended to and forms part of the report on Corporate Governance.

42. 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 ₹ 117.23 lakh in foreign exchange.

43. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES :

The disclosure required under 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 appended as **Annexure – 'E'** to this Report.

The statement containing names of top ten employees in terms of the remuneration drawn and the particulars of employees as required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report. However, having regard to the provisions to the first proviso of Section 136 (1) of the Companies Act, 2013, the Annual Report is being sent to all the members of the Company excluding this information. The aforesaid statement is available for inspection by the members at the Registered Office of the Company 21 days before the AGM, during business hours on working days of the Company upto the date of the ensuing AGM.

Any member who is interested in obtaining a copy thereof, may write to the Company Secretary at the Registered Office of the Company. The said information is also available on the website of the Company. None of the employees listed in the aforesaid statement is a relative of any Director of the Company. None of the employees of the Company is covered under Rule 5 (3) (viii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

44. AFFIRMATION REGARDING COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS :

The Board affirms compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS-1 and SS-2) relating to the meetings of the Board and its Committees and General Meetings.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

45. CODE OF CONDUCT :

The Board of Directors has adopted Code of Conduct and Ethics for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17 (5) of the SEBI Listing Regulations. All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2019. 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>.

46. CEO AND CFO CERTIFICATION:

A certificate from the Managing Director and the Chief Financial Officer, pursuant to Regulation 17 (8) of SEBI Listing Regulations for the year under review was placed before the Board of Directors of the Company at its meeting held on May 28, 2019 which is appended to and forms part of the Corporate Governance Report.

47. The Income Tax authorities had initiated proceedings under Section 132 of the Income Tax Act, 1961 of the premises of the Company and certain officials on July 30, 2019. The Company is extending full co-operation to the Income Tax authorities. The routine operation and working of the Company have not been affected by the proceedings.

48. 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

Date : August 14, 2019
Place: Mumbai

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE - A

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE :

- i. 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), 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. This Policy has been prepared and adopted in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and the applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Amendment) Act, 2017 alongwith circulars issued thereunder including any statutory modifications or re-enactment thereof for the time being in force.

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;
- 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. OBJECTIVES OF THIS POLICY :

This Policy aims to formulate certain criteria for the following matters with regard to its directors, key managerial personnel and senior management :

- a. Selection, appointment and removal;
- b. Recommendation of remuneration;
- c. Evaluation of performance; and
- d. Board diversity

4. 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;
- vii. 'Policy or This Policy' means the 'Nomination and Remuneration Policy';

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- viii. 'SEBI Listing Regulations' shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- ix. 'Senior Management' shall mean officers/personnel of the Company who are members of its core management team excluding the board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/wholetime director/,manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

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, as may be amended from time to time.

5. 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 Wholetime Director(s) and the Managing Director based on their performance and defined assessment criteria;
- vii. to recommend to the Board, all remuneration, in whatever form, payable to senior management;
- viii. 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;
- ix. to assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management; and
- x. 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.

6. 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. The quorum for the meeting of N&RC shall be either two members or one-third of the members of the Committee, whichever is greater, including one independent director in attendance;
- iv. Membership of the Committee shall be disclosed in the Annual Report;
- v. Terms of the Committee shall continue unless terminated by the Board; and
- vi. The Chairperson of the Company may be appointed as a member of the Company but shall not chair such Committee.

7. 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 may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. FREQUENCY OF MEETINGS :

The N&RC shall meet atleast once in a year.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

9. 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.

10. SECRETARY OF N&RC COMMITTEE :

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

11. 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; and
- ii. In the case of equality of votes, the Chairman of the meeting shall have a casting vote.

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

- **Criteria for appointment of Directors, KMP and Senior Management :**

- i. The Committee shall identify and formulate criteria for determining qualifications, positive attributes and independence of a Director, KMP and Senior Management;
- ii. 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;
- iii. A person should possess adequate qualification, expertise and experience for the position he/she is being considered for appointment based on the Company's strategy and needs,
- iv. 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;
- v. The person to be appointed as Director, KMP or in the senior management, should possess impeccable reputation for integrity, efficiency, expertise, insights and accomplishments in sectors or areas relevant to the Company's business;
- vi. The Committee while considering a person for appointment as Director, shall verify that the person being appointed as a Director is not debarred from holding the office of director pursuant to any SEBI order;
- vii. The Committee shall consider the potential candidates on merit alone and the identified candidates shall be recommended to the Board for final selection and appointment;
- viii. The Committee shall ensure that the number of companies in which each director is a director is well below the limit specified under the Act and the SEBI Listing Regulations;
- viii. Presently, from April 1, 2019, a person shall not be a director in more than eight listed entities and not more than seven listed entities with effect from April 1, 2020;
- ix. The Company shall not appoint or continue the employment of any person as Managing Director/Wholtime Director who has attained the maximum age prescribed under the Act or the SEBI Listing Regulations and shall take necessary approvals from the shareholders in this regard in case of directors above the maximum age criteria;
- x. The terms of appointment and subsequent retirement of KMPs and Senior Management shall be as per the provisions of the Act, SEBI Listing Regulations, other rules or regulations including any amendments made from time to time and prevailing policy of the Company; and
- xi. The Committee shall review the performance of the Board, KMP and Senior Management from time to time and establish succession plans in order to ensure uninterrupted functioning of the Board.

- **Tenure of Office :**

- **Executive Directors**

The Company shall appoint or reappoint any person as its Managing Director or Wholtime 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.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

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;

- iv. An Independent Director shall not hold office as such beyond the age of 75 years unless approved by the shareholders by a special resolution in general meeting;
- v. 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; and
- vi. Any person being appointed as an Independent Director shall not have any material pecuniary relationship with the Company, its holding, subsidiary or associate companies or the Company's Promoters or directors, except receiving remuneration as a director or having transaction not exceeding 10 % of his total income or such amount as may be prescribed, during the current financial year or two immediately preceding financial years and also satisfies other criteria for determining independence as specified under the Act, SEBI Listing Regulations as may be amended from time to time.

• Evaluation :

- i. The performance evaluation of the Board, its Committees and Directors shall be carried out as per the provisions of the Act and the SEBI Listing Regulations.
- ii. Each Director shall be provided with a questionnaire to be filled up, providing feed back on the overall functioning of the Board and its Committees;
- iii. The questionnaire shall cover various parameters such as composition, execution of specific duties, participation in meetings, etc.
- iv. 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;
- v. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, (excluding the Director being evaluated), which shall include the performance of the directors and fulfillment of the independence criteria as specified in SEBI Listing Regulations and their independence from the management ;
- vi. The Independent Directors shall meet atleast once a year to review the performance of the Non-Independent Directors, the Chairperson of the Company taking into account the view of the Executive and the Non-Executive Directors and to assess the quality, quantity and timeliness of the flow of information between the company management and the Board; and
- vii. 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.

• 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.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

13. 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 performance incentive to be paid to the Executive Directors shall be as per the statutory provisions of the Act and the Rules made thereunder, for the time being in force;
- ii. The remuneration payable to the Executive Directors may be divided into two components : fixed and variable components. The fixed component shall consist of monthly salary, allowances, perquisites, amenities and retirement benefits. The variable component shall comprise of performance based annual incentive;
- iii. Payment of remuneration to the Executive Directors is governed by the respective agreements executed between each of such Executive Directors and the Company;
- iv. The remuneration / performance incentives to be paid to the Executive Directors will be determined by the Committee and recommended to the Board for approval;
- v. The break-up of the pay scale and the quantum of perquisites and allowances shall be decided by the Committee;
- vi. The remuneration / performance incentives, etc. shall be subject to prior/post approval of the shareholders of the Company;
- vii. 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;
- viii. 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;
- ix. Remuneration payable to anyone managing director or wholtime director or manager shall not exceed 5 % of the net profit of the Company and if there is more than one such director, the remuneration shall not exceed 10 % of the Company for all such directors or managers taken together;
- x. Payment of remuneration in excess of the statutory limit abovementioned, shall be done by recording of clear reasons and justification and after obtaining approval of the shareholders by way of a special resolution as per the provisions of the Act, SEBI Listing Regulations and amendments made thereto from time to time; and
- xi. The fees and compensation payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting if :
 - i. the annual remuneration payable to such Executive Director exceeds rupees five crore or 2.5 % of the net profits of the Company, whichever is higher; or
 - ii. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 % of the net profits of the Company.

Such approval shall be valid only till the expiry of the term of such director.

- **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 Act and the Rules made thereunder for the time being in force;
- ii. The Non-Executive/Independent Directors shall be 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 Act, 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 Act; 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.

- **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 from the basis of this Policy;

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

- 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; and
- 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.

14. 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.

15. INSURANCE POLICY :

The Company shall undertake 'Directors and Officers Insurance' for all the Independent Directors of such quantum and for such risks as may be determined by the Board of Directors from time to time.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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. 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.

[The above Policy has been reviewed and approved by the Board of Directors at its meeting held on January 24, 2019.]

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

SUCCESSION PLAN FOR APPOINTMENT

1. INTRODUCTION :

Regulation 17 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI 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 SEBI Listing Regulations defines 'Senior Management' to mean officers/personnel of the Company who are members of its core management team excluding the board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/wholetime director/,manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

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 SEBI 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.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE – I

PERFORMANCE EVALUATION CRITERIA

1. Section 178 (2) of the Act 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 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, 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, 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 Act 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.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (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.
13. Performance of Directors.
13. Fulfillment of the independence criteria and independence from the management.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (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.
-

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE - 'B'

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[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
Plaza Panchsheel, 'A' wing, 5th floor,
Hughes Road, Behind Dharam Palace,
Grant Road (W), Mumbai- 400007

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 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:

We 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, 2019 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 thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and 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, 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.

We further report that on examination of the relevant documents and records on test check basis and on the basis of representation letter given by the officer of the Company, the Company has complied with the provisions of Real Estate (Regulation and Development) Act, 2016 and Maharashtra Real Estate (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of interest and Disclosure on websites) Rules, 2017 and the circulars issued by MahaRERA Authority from time to time

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

We 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 Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except provisions of Section 134(1) of the Act, relating to signing of Financial Statements for the Financial Year ended on March 31, 2019.**

We 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 **except provision of Schedule IV clause VI point 2 of the Act, relating to replacement of Independent Director within three months in case of resignation of Independent Director.**

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.

We 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.

We 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.

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

- (1) Issue of Redeemable Non Convertible Debentures on a private placement basis of ₹ 5,000/- Crores.

For **Ashish Bhatt & Associates**

Ashish Bhatt

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

Place: Thane

Date: August 14, 2019

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.

For **Ashish Bhatt & Associates**

Ashish Bhatt

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

Place: Thane

Date: August 14, 2019

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Annexure – 'C'

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and 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 | Plaza Panchsheel, "A" Wing, 5th Floor, Hughes Road, Behind Dharam Palace, Grant Road (West), Mumbai- 400007. Tel: 022 23660800; Fax: 022 23660812 |
| 6. | Whether listed company | Yes |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Private Limited C-101, 247 Park, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083. Tel No.: 022 4918600; Fax: 022 4918 6060 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 | ABP Realty Advisors Private Limited (Under process of strike off) Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U67190MH2007PTC172390 | Subsidiary | 100% | 2(87)(ii) |
| 2 | Akruti Safeguard Systems Private Limited D-89/3, TTC Industrial Area, MIDC Turbhe, Navi Mumbai, Thane - 400705 | U51909MH1999PTC176073 | Subsidiary | 88.27% | 2(87)(ii) |
| 3 | Citywood Builders Private Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U45202MH2009PTC191711 | Subsidiary | 100% | 2(87)(ii) |
| 4 | Citygold Education Research Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U80100MH2006PLC158595 | Subsidiary | 2.17% | 2(87)(i) |
| 5 | Citygold Farming Private Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U01122MH2006PTC163517 | Subsidiary | 0.38% | 2(87)(i) |
| 6 | Devkrupa Build Tech Limited Raheja Chamber, Office No. 317, 3rd Floor, Free Press Marg, Nariman Point, Mumbai – 400021 | U74140MH2006PLC166596 | Subsidiary | 100% | 2(87)(ii) |

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 7 | Diviniti Projects Private Limited 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 | Gujarat Akruti - TCG Biotech Limited 102, Sarthik Square, Plot No. 357, Bodakdev, Ahmedabad, Gujarat - 380015 | U70102GJ2007PLC050966 | Subsidiary | 74% | 2(87)(ii) |
| 9 | Halitious Developer Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U70101MH2007PLC172784 | Subsidiary | 100% | 2(87)(ii) |
| 10 | Headland Farming Private Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U74999MH2006PTC163511 | Subsidiary | 100% | 2(87)(ii) |
| 11 | Heddle Knowledge Private Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U01122MH2006PTC163518 | Subsidiary | 100% | 2(87)(ii) |
| 12 | Heet Builders Private Limited (upto February 22, 2019) 72, Nakhodia Street, 1st Floor, J R Shetty Building, Pydhonie, Mumbai - 400 003 | U70102MH1985PTC037030 | Subsidiary | 94.40% | 2(87)(ii) |
| 13 | India Development And Construction Venture Capital Private Limited (Under process of Strike Off) Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U67190MH2007PTC172391 | Subsidiary | 100% | 2(87)(ii) |
| 14 | Joynest Premises Private Limited CTS No. 469-A, Chembur, Mumbai - 400071 | U45202MH2008PTC183715 | Subsidiary | 62.07% | 2(87)(ii) |
| 15 | Sanas Developers Private Limited (with effect from February 4, 2019) 56, St. Patricks Town, Hadapsar, Pune - 411013 | U45309PN2019PTC181901 | Subsidiary | 51% | 2(87)(ii) |
| 16 | Upvan Lake Resorts Private Limited B-5, Building No 9, Devidaya Nagar, Pokhran Road No 1, Thane 400606 | U55204MH2008PTC183084 | Subsidiary | 75% | 2(87)(ii) |
| 17 | Urvi Build Tech Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U15400MH1996PLC101031 | Subsidiary | 100% | 2(87)(ii) |
| 18 | Vama Housing Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U45200MH1995PLC085167 | Subsidiary | 100% | 2(87)(ii) |
| 19 | Vega Developers Private Limited 14, Ashok Niwas, Ground Floor, South Pond Road, Vile Parle (West), Mumbai - 400056 | U45200MH2006PTC159794 | Subsidiary | 100% | 2(87)(ii) |
| 20 | Vishal Techno Commerce Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U45200MH1986PLC041348 | Subsidiary | 100% | 2(87)(ii) |
| 21 | Yantti Buildcon Private Limited G2, Plumeria Apartments, No.1, John Armstrong Road, Richards Town, Bengaluru, Karnataka - 560005 | U45201KA2009PTC052006 | Subsidiary | 100% | 2(87)(ii) |

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 22 | E Commerce Magnum Solution Limited (from September 17, 2018 to September 27, 2018) 401, 4th Floor, Parekh Market Opera House, Mumbai - 400004 | U70100MH1999PLC122294 | Subsidiary | 51% | 2(87)(ii) |
| 23 | Giraffe Developers Private Limited 111, G- Wing, Akruiti Commercial Complex, Co-op Soc. Ltd, next to Akruiti Centre Point, Andheri (East), Mumbai-400093 | U51900MH2006PTC159247 | Associate | 7.20% | 2(6) |
| 24 | Shubhsiddhi Builders Private Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U70100MH2006PTC159241 | Associate | 50% | 2(6) |
| 25 | Twenty Five South Realty Limited Hindoostan Mills Compound, Kashinath Dhuri Marg, Patilwadi, Off Veer Savarkar Road, Prabhadevi, Mumbai - 400025 | U51100MH1996PLC100876 | Associate | 47.49% | 2(6) |
| 26 | Vinca Developer Private Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U45202MH2008PTC185408 | Associate | 0.05% | 2(6) |
| 27 | Whitebud Developers Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U70100MH1994PLC082882 | Associate | 50% | 2(6) |
| 28 | Hubtown Bus Terminal (Adajan) Private Limited Adajan Bus Depot, Near Shital Police Chowki, Adajan Patia, Surat – 395009, Gujarat | U45203GJ2008PTC069636 | Associate | 47.28 | 2(6) |
| 29 | Hubtown Bus Terminal (Ahmedabad) Private Limited A-512, Joyos Hubtown, Near GSRTC Bus Terminal No.1, Geeta Mandir, Ahmedabad, 380022 | U60200GJ2009PTC058763 | Associate | 46.30% | 2(6) |
| 30 | Hubtown Bus Terminal (Mehsana) Private Limited GSRTC Quarters Class-II, Block No. 2, Ground Floor Behind Vibhagiya Kacheri, Modhera Crossing, Mehsana, 384002 | U45400GJ2008PTC069638 | Associate | 42.86% | 2(6) |
| 31 | Hubtown Bus Terminal (Vadodara) Private Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U45203GJ2008PTC069640 | Associate | 47.22% | 2(6) |
| 32 | Joyous Housing Limited Tulsiwadi Project Office, Ambedkar Nagar, S.K. Rathod Marg, Behind Income Tax Office, Tardeo, Mumbai MH 400034 | U70100MH1995PLC092856 | Associate | 25% | 2(6) |
| 33 | Rare Townships Private Limited CTS No. 194B, PWD Ground Ghatkopar - Mankhurd Link Road, Ghatkopar (East), Mumbai - 400077 | U70102MH2000PTC126999 | Associate | 35.10% | 2(6) |
| 34 | Sunstream City Private Limited Unit No. 116, First Floor, Rehab Building No. 4, Akruiti Annexe, Road No. 7, Marol MIDC, Andheri (E), Mumbai-400093 | U99999MH2006PTC182177 | Associate | 43% | 2(6) |

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VI. 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 01-April-2018] | | | | No. of Shares held at the end of the year [As on 31-March-2019] | | | | % Change during the year |
|--------------------------|--|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | Promoters | | | | | | | | | |
| | (1) Indian | | | | | | | | | |
| | (a) Individual/ HUF | 41018272 | 0 | 41018272 | 56.40 | 40793272 | 0 | 40793272 | 56.08 | (0.31) |
| | (b) Central Govt/ State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (c) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (d) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (e) Bodies Corp. | 600000 | 0 | 600000 | 0.82 | 600000 | 0 | 600000 | 0.82 | 0.00 |
| | Total share-holding of Promoter (A)(1) | 41618272 | 0 | 41618272 | 57.22 | 41393272 | 0 | 41393272 | 56.91 | (0.31) |
| | (2) Foreign | | | | | | | | | |
| | (a) NRIs - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (b) Other – Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-total (A) (2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 41618272 | 0 | 41618272 | 57.22 | 41393272 | 0 | 41393272 | 56.91 | (0.31) |
| B. | Public Shareholding | | | | | | | | | |
| | 1. Institutions | | | | | | | | | |
| | (a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (b) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (c) Alternate Investment Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (d) Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (e) Foreign Portfolio Investor | 2958743 | 0 | 2958743 | 4.07 | 2659500 | 0 | 2659500 | 3.66 | (0.41) |
| | (f) Financial Institutions/ Banks | 390997 | 0 | 390997 | 0.54 | 423447 | 0 | 423447 | 0.58 | (0.04) |
| | (g) Insurance Companies | 56937 | 0 | 56937 | 0.08 | 56937 | 0 | 56937 | 0.08 | 0.00 |
| | (h) Provident Funds/ Pension Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-total (B)(1):- | 3406677 | 0 | 3406677 | 4.68 | 3139884 | 0 | 3139884 | 4.32 | (0.37) |
| | 2. Central Government/ State Government(s)/ President of India | | | | | | | | | |
| | Central Government / State Government(s) | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 0.0 |
| | Sub-total (B)(2):- | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 0.0 |

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| Category of Shareholders | | No. of Shares held at the beginning of the year [As on 01-April-2018] | | | | No. of Shares held at the end of the year [As on 31-March-2019] | | | | % Change during the year | |
|--------------------------|----------------------------------|---|-----------------|------------|-------------------|---|-----------------|-----------|-------------------|--------------------------|-------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| 3. | Non-Institutions | | | | | | | | | | |
| | (a) | Individuals: (i) Individual shareholders holding nominal share capital upto ₹ 2 lakh | 6494987 | 342 | 6495329 | 8.93 | 6647490 | 17 | 6647507 | 9.14 | 0.21 |
| | | (ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 5501860 | 0 | 5501860 | 7.56 | 5056165 | 0 | 5056165 | 6.95 | (0.61) |
| | (b) | NBFCs registered with RBI | 0 | 0 | 0 | 0 | 7562 | 0 | 7562 | 0.01 | 0.01 |
| | (d) | Overseas Depositories (holding Dṛ) (balancing figure) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (e) | Any Others (specify) | | | | | | | | | |
| | | (i) Trusts | 539 | 0 | 539 | 0.00 | 1134 | 0 | 1134 | 0.00 | 0.00 |
| | | (ii) Foreign Nationals | 1000 | 0 | 1000 | 0.00 | 3000 | 0 | 3000 | 0.00 | 0.00 |
| | | (iii) Hindu Undivided Family | 737286 | 0 | 737286 | 1.01 | 1042459 | 0 | 1042459 | 1.43 | 0.42 |
| | | (iv) Non Resident Indians (Non Repat) | 146340 | 0 | 146340 | 0.20 | 167419 | 0 | 167419 | 0.23 | 0.03 |
| | | (v) Non Resident Indians (Repat) | 2373878 | 0 | 2373878 | 3.26 | 2112375 | 0 | 2112375 | 2.90 | (0.36) |
| | | (vi) Overseas Corporate Bodies | 11 | 0 | 11 | 0.00 | 11 | 0 | 11 | 0.00 | 0.00 |
| | | (vii) Clearing Members | 1422396 | 0 | 1422396 | 1.96 | 1123816 | 0 | 1123816 | 1.55 | (0.41) |
| | | (viii) Bodies Corporate | 11032278 | 0 | 11032278 | 15.17 | 12041262 | 0 | 12041262 | 16.55 | 1.39 |
| | | Sub-total (B)(3) | 27710575 | 342 | 27710917 | 38.10 | 28202693 | 17 | 28202710 | 38.77 | 0.68 |
| | | Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3) | 31117257 | 342 | 31117599 | 42.78 | 31342582 | 17 | 31342599 | 43.09 | 0.31 |
| | | Total (A)+(B) | 72735529 | 342 | 72735871 | 100 | 72735854 | 17 | 72735871 | 100 | 0 |
| C. | Non Promoter - Non Public | | | | | | | | | | |
| | 1) | Custodian/ DR Holder | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | 2) | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | Grand Total (A+B+C) | 72735529 | 342 | 72735871 | 100.00 | 72735854 | 17 | 72735871 | 100.00 | 0.00 |

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ii) Shareholding of Promoter-

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year [As on 1-April-2018] | | | Shareholding at the end of the year [As on 31-March-2019] | | | % 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 | Vyomesh M. Shah | 7540000 | 10.37 | 10.35 | 7540000 | 10.37 | 10.35 | 0.00 |
| 2 | Hemant M. Shah | 5800000 | 7.97 | 7.52 | 5800000 | 7.97 | 7.97 | 0.00 |
| 3 | Hemant M. Shah and Vyomesh M. Shah | 190000 | 0.26 | 0.19 | 190000 | 0.26 | 0.19 | 0.00 |
| 4 | Falguni V. Shah | 5789772 | 7.96 | 7.95 | 5789772 | 7.96 | 7.95 | 0.00 |
| 5 | Hemant M. Shah HUF | 4980500 | 6.85 | 6.75 | 4980500 | 6.85 | 6.84 | 0.00 |
| 6 | Vyomesh M. Shah HUF | 3925000 | 5.40 | 5.40 | 3925000 | 5.40 | 5.40 | 0.00 |
| 7 | Kushal H. Shah | 3600000 | 4.95 | 4.81 | 3600000 | 4.95 | 4.81 | 0.00 |
| 8 | Kunjai H. Shah | 3058000 | 4.20 | 4.19 | 3058000 | 4.20 | 4.19 | 0.00 |
| 9 | Khilen V. Shah | 2600000 | 3.58 | 3.13 | 2585000 | 3.55 | 3.11 | (0.58) |
| 10 | Mahipatray V Shah HUF | 1910000 | 2.63 | 2.61 | 1700000 | 2.34 | 2.33 | (10.99) |
| 11 | Rushank V. Shah | 1600000 | 2.20 | 2.20 | 1600000 | 2.20 | 2.20 | 0.00 |
| 12 | Ukay Valves and Founders Private Limited | 300000 | 0.41 | 0.00 | 300000 | 0.41 | 0.00 | 0.00 |
| 13 | Vishwajeet Consultancy Private Limited | 300000 | 0.41 | 0.00 | 300000 | 0.41 | 0.00 | 0.00 |
| 14 | Lata M. Shah | 25000 | 0.03 | 0 | 25000 | 0.03 | 0.00 | 0.00 |
| | Total | 41618272 | 57.22 | 55.10 | 41393272 | 56.91 | 55.34 | (0.54) |

(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 |
| 1. | VYOMESH M. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 7540000 | 10.37 | 7540000 | 10.37 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 7540000 | 10.37 |
| 2. | HEMANT M. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 5800000 | 8.24 | 5800000 | 8.24 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 5800000 | 8.24 |
| 3. | HEMANT M. SHAH and VYOMESH M. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 190000 | 0.26 | 190000 | 0.26 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 190000 | 0.26 |

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| 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 |
| 4. | FALGUNI V. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 5789772 | 7.96 | 5789772 | 7.96 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 5789772 | 7.96 |
| 5. | HEMANT M. SHAH HUF | | | | |
| | At the beginning of the year (April 01, 2018) | 4980500 | 6.85 | 4980500 | 6.85 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | | | 4980500 | 6.85 |
| 6. | VYOMESH M. SHAH HUF | | | | |
| | At the beginning of the year (April 01, 2018) | 3925000 | 5.40 | 3925000 | 5.40 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 3925000 | 5.40 |
| 7. | KUSHAL H. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 3600000 | 4.95 | 3600000 | 4.95 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | | | 3600000 | 4.95 |
| 8. | KUNJAL H. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 3058000 | 4.20 | 3058000 | 4.20 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | | | 3058000 | 4.20 |
| 9. | KHILEN V. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 2600000 | 3.57 | | |
| | Sale on February 5, 2019 | (15000) | (0.02) | 2585000 | 3.55 |
| | At the end of the year (March 31, 2019) | | | 2585000 | 3.55 |
| 10. | MAHIPATRAY V. SHAH HUF | | | | |
| | At the beginning of the year (April 01, 2018) | 1910000 | 2.63 | | |
| | Sale on September 14, 2018 | (10000) | (0.02) | 1900000 | 2.61 |
| | Sale on March 5, 2019 | (200000) | (0.27) | 1700000 | 2.34 |
| | At the end of the year (March 31, 2019) | - | - | 1700000 | 2.34 |
| 11. | RUSHANK V. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 1600000 | 2.20 | 1600000 | 2.20 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 1600000 | 2.20 |
| 12. | VISHWAJEET CONSULTANCY PVT. LTD. | | | | |
| | At the beginning of the year (April 01, 2018) | 300000 | 0.41 | 300000 | 0.41 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 300000 | 0.41 |
| 13. | UKAY VALVES AND FOUNDERS PVT. LTD . | | | | |
| | At the beginning of the year (April 01, 2018) | 300000 | 0.41 | 300000 | 0.41 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 300000 | 0.41 |

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| 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 |
| 14. | LATA M. SHAH | | | | |
| | At the beginning of the year (April 01, 2018) | 25000 | 0.03 | 25000 | 0.03 |
| No change in shareholding during the year | | | | | |
| | At the end of the year (March 31, 2019) | - | - | 25000 | 0.03 |

**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. | IL&FS SECURITIES SERVICES LIMITED | | | | |
| | At the beginning of the year (April 01, 2018) | 909249 | 1.250 | | |
| | Sale of Shares on April 06, 2018 | (18050) | (0.025) | 891199 | 1.225 |
| | Sale of Shares on April 13, 2018 | (44108) | (0.061) | 847091 | 1.164 |
| | Purchase of Shares on April 20, 2018 | 4886 | 0.007 | 851977 | 1.171 |
| | Purchase of Shares on April 27, 2018 | 1000 | 0.001 | 852977 | 1.172 |
| | Purchase of Shares on May 04, 2018 | 7533 | 0.010 | 860510 | 1.182 |
| | Purchase of Shares on May 11, 2018 | 24407 | 0.034 | 884917 | 1.216 |
| | Purchase of Shares on May 18, 2018 | 37379 | 0.051 | 922296 | 1.267 |
| | Purchase of Shares on May 25, 2018 | 1135828 | 1.562 | 2058124 | 2.829 |
| | Purchase of Shares on June 01, 2018 | 37960 | 0.052 | 2096084 | 2.881 |
| | Purchase of Shares on June 08, 2018 | 497409 | 0.684 | 2593493 | 3.565 |
| | Sale of Shares on June 15, 2018 | (37901) | (0.052) | 2555592 | 3.513 |
| | Sale of Shares on June 22, 2018 | (23131) | (0.032) | 2532461 | 3.481 |
| | Purchase of Shares on June 30, 2018 | 625785 | 0.860 | 3158246 | 4.341 |
| | Sale of Shares on July 06, 2018 | (17415) | (0.024) | 3140831 | 4.317 |
| | Sale of Shares on July 13, 2018 | (17701) | (0.024) | 3123130 | 4.293 |
| | Purchase of Shares on July 20, 2018 | 14836 | 0.020 | 3137966 | 4.313 |
| | Purchase of Shares on July 27, 2018 | (37634) | (0.052) | 3100332 | 4.261 |
| | Purchase of Shares on August 03, 2018 | 25330 | 0.035 | 3125662 | 4.296 |
| | Sale of Shares on August 10, 2018 | (8900) | (0.012) | 3116762 | 4.284 |
| | Purchase of Shares on August 17, 2018 | 1880 | 0.003 | 3118642 | 4.287 |
| | Sale of Shares on August 24, 2018 | (17777) | (0.024) | 3100865 | 4.263 |
| | Sale of Shares on August 31, 2018 | (64918) | (0.089) | 3035947 | 4.174 |
| | Sale of Shares on September 07, 2018 | (23950) | (0.033) | 3011997 | 4.141 |
| | Sale of Shares on September 14, 2018 | (1750) | (0.002) | 3010247 | 4.139 |
| | Sale of Shares on September 21, 2018 | (7367) | (0.010) | 3002880 | 4.129 |
| | Sale of Shares on September 29, 2018 | (2629401) | (3.615) | 373479 | 0.514 |
| | Purchase of Shares on October 05, 2018 | 6450 | 0.009 | 379929 | 0.523 |
| | Sale of Shares on October 12, 2018 | (507) | (0.001) | 379422 | 0.522 |
| | Purchase of Shares on October 19, 2018 | 1000 | 0.001 | 380422 | 0.523 |
| | Purchase of Shares on October 26, 2018 | 1166 | 0.002 | 381588 | 0.525 |
| | Purchase of Shares on November 02, 2018 | 1840 | 0.003 | 383428 | 0.528 |
| | Purchase of Shares on November 09, 2018 | 31913 | 0.044 | 415341 | 0.572 |

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| 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 November 16, 2018 | 10248 | 0.014 | 425589 | 0.586 |
| | Purchase of Shares on November 23, 2018 | 2643 | 0.004 | 428232 | 0.590 |
| | Purchase of Shares on November 30, 2018 | 529 | 0.001 | 428761 | 0.591 |
| | Purchase of Shares on December 07, 2018 | 40786 | 0.056 | 469547 | 0.647 |
| | Purchase of Shares on December 14, 2018 | 2958803 | 4.068 | 3428350 | 4.715 |
| | Sale of Shares on December 21, 2018 | (178) | 0.000 | 3428172 | 4.715 |
| | Purchase of Shares on December 28, 2018 | 25321 | 0.035 | 3453493 | 4.750 |
| | Purchase of Shares on January 04, 2019 | 530 | 0.001 | 3454023 | 4.751 |
| | Sale of Shares on January 11, 2019 | (5604) | (0.008) | 3448419 | 4.743 |
| | Sale of Shares on January 18, 2019 | (25484) | (0.035) | 3422935 | 4.708 |
| 1. | Purchase of Shares on January 25, 2019 | 15484 | 0.021 | 3438419 | 4.729 |
| | Sale of Shares on February 01, 2019 | (54930) | (0.076) | 3383489 | 4.653 |
| | Purchase of Shares on February 08, 2019 | 749 | 0.001 | 3384238 | 4.654 |
| | Sale of Shares on February 15, 2019 | (23799) | (0.033) | 3360439 | 4.621 |
| | Purchase of Shares on February 22, 2019 | 2175 | 0.003 | 3362614 | 4.624 |
| | Purchase of Shares on March 01, 2019 | 1734 | 0.002 | 3364348 | 4.626 |
| | Purchase of Shares on March 8, 2019 | 45549 | 0.063 | 3409897 | 4.689 |
| | Sale of Shares on March 15, 2019 | (1026) | (0.001) | 3408871 | 4.688 |
| | Sale of Shares on March 22, 2019 | (25974) | (0.036) | 3382897 | 4.652 |
| | Sale of Shares on March 29, 2019 | (195549) | (0.269) | 3187348 | 4.383 |
| | Sale of Shares on March 30, 2019 | (29896) | (0.041) | 3157452 | 4.342 |
| | At the end of the year (March 31, 2019) | | | 3157452 | 4.342 |
| 2. | LSO SUBCO NO.2 COMPANY | | | | |
| | At the beginning of the year (April 01, 2018) | 2652700 | 3.647 | 2652700 | 3.647 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 2652700 | 3.647 |
| 3. | NILESH RAMESHCHANDRA PETHANI | | | | |
| | At the beginning of the year (April 01, 2018) | 1895835 | 2.607 | | |
| | Sale of Shares on March 22, 2019 | (184021) | (0.253) | 1711814 | 2.354 |
| | Sale of Shares on March 29, 2019 | (107705) | (0.148) | 1604109 | 2.206 |
| | At the end of the year (March 31, 2019) | | | 1604109 | 2.206 |
| 4. | SHAREKHAN LIMITED | | | | |
| | At the beginning of the year (April 01, 2018) | 362677 | 0.499 | | |
| | Sale of Shares on April 06, 2018 | (16576) | (0.023) | 346101 | 0.476 |
| | Sale of Shares on April 13, 2018 | (192) | 0.000 | 345909 | 0.476 |
| | Purchase of Shares on April 20, 2018 | 108 | 0.000 | 346017 | 0.476 |
| | Purchase of Shares on April 27, 2018 | 6511 | 0.009 | 352528 | 0.485 |
| | Purchase of Shares on May 4, 2018 | 135631 | 0.186 | 488159 | 0.671 |
| | Sale of Shares on May 11, 2018 | (120960) | (0.166) | 367199 | 0.505 |
| | Purchase of Shares on May 18, 2018 | 29800 | 0.041 | 396999 | 0.546 |
| | Purchase of Shares on May 25, 2018 | 43070 | 0.059 | 440069 | 0.605 |
| | Sale of Shares on June 1, 2018 | (35342) | (0.049) | 404727 | 0.556 |
| | Purchase of Shares on June 8, 2018 | 10107 | 0.014 | 414834 | 0.570 |
| | Purchase of Shares on June 15, 2018 | 47230 | 0.065 | 462064 | 0.635 |
| | Purchase of Shares on June 22, 2018 | 173492 | 0.239 | 635556 | 0.874 |

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| 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 June 30, 2018 | 4216 | 0.006 | 639772 | 0.880 |
| | Sale of Shares on July 6, 2018 | (33952) | (0.047) | 605820 | 0.833 |
| | Purchase of Shares on July 13, 2018 | 44061 | 0.061 | 649881 | 0.894 |
| | Purchase of Shares on July 20, 2018 | 2477 | 0.003 | 652358 | 0.897 |
| | Sale of Shares on July 27, 2018 | (7912) | (0.011) | 644446 | 0.886 |
| | Purchase of Shares on August 3, 2018 | 785 | 0.001 | 645231 | 0.887 |
| | Sale of Shares on August 10, 2018 | (4029) | (0.006) | 641202 | 0.881 |
| | Sale of Shares on August 17, 2018 | (19388) | (0.027) | 621814 | 0.854 |
| | Sale of Shares on August 24, 2018 | (4172) | (0.006) | 617642 | 0.848 |
| | Sale of Shares on August 31, 2018 | (4824) | (0.007) | 612818 | 0.841 |
| | Purchase of Shares on September 7, 2018 | 38048 | 0.052 | 650866 | 0.893 |
| | Purchase of Shares on September 14, 2018 | 1924 | 0.003 | 652790 | 0.896 |
| | Purchase of Shares on September 21, 2018 | 9456 | 0.013 | 662246 | 0.909 |
| | Purchase of Shares on September 29, 2018 | 1 | 0.000 | 662247 | 0.909 |
| | Purchase of Shares on October 05, 2018 | 29542 | 0.041 | 691789 | 0.950 |
| | Purchase of Shares on October 12, 2018 | 104991 | 0.144 | 796780 | 1.094 |
| | Sale of Shares on October 19, 2018 | (43166) | (0.059) | 753614 | 1.035 |
| | Purchase of Shares on October 26, 2018 | 3615 | 0.005 | 757229 | 1.040 |
| | Purchase of Shares on November 2, 2018 | 5135 | 0.007 | 762364 | 1.047 |
| | Purchase of Shares on November 9, 2018 | 3126 | 0.004 | 765490 | 1.051 |
| | Sale of Shares on November 16, 2018 | (80783) | (0.111) | 684707 | 0.940 |
| | Sale of Shares on November 23, 2018 | (2333) | (0.003) | 682374 | 0.937 |
| | Purchase of Shares on November 30, 2018 | 586 | 0.001 | 682960 | 0.938 |
| | Purchase of Shares on December 07, 2018 | 193 | 0.000 | 683153 | 0.938 |
| | Purchase of Shares on December 14, 2018 | 877 | 0.001 | 684030 | 0.939 |
| | Sale of Shares on December 21, 2018 | (2681) | (0.004) | 681349 | 0.935 |
| | Purchase of Shares on December 28, 2018 | 1525 | 0.002 | 682874 | 0.937 |
| | Purchase of Shares on December 31, 2018 | 1684 | 0.002 | 684558 | 0.939 |
| | Sale of Shares on January 4, 2019 | (2665) | (0.004) | 681893 | 0.935 |
| | Sale of Shares on January 11, 2019 | (476) | (0.001) | 681417 | 0.934 |
| | Purchase of Shares on January 18, 2019 | 594 | 0.001 | 682011 | 0.935 |
| | Purchase of Shares on January 25, 2019 | 633 | 0.001 | 682644 | 0.936 |
| | Sale of Shares on February 01, 2019 | (1497) | (0.002) | 681147 | 0.934 |
| | Purchase of Shares on February 8, 2019 | 2606 | 0.004 | 683753 | 0.938 |
| | Sale of Shares on February 15, 2019 | (42622) | (0.059) | 641131 | 0.879 |
| | Purchase of Shares on February 22, 2019 | 2312 | 0.003 | 643443 | 0.882 |
| | Purchase of Shares on March 01, 2019 | 46309 | 0.064 | 689752 | 0.946 |
| | Sale of Shares on March 08, 2019 | (23491) | (0.032) | 666261 | 0.914 |
| | Sale of Shares on March 15, 2019 | (31140) | (0.043) | 635121 | 0.871 |
| | Purchase of Shares on March 22, 2019 | 149576 | 0.206 | 784697 | 1.077 |
| | Purchase of Shares on March 29, 2019 | 240269 | 0.330 | 1024966 | 1.407 |
| | At the end of the year (March 31, 2019) | | | 1024966 | 1.407 |

DIRECTORS' REPORT 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 |
| 5. | CELLO PENS AND STATIONERY PRIVATE LIMITED | | | | |
| | At the beginning of the year (April 01, 2018) | 960000 | 1.320 | 960000 | 1.320 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 960000 | 1.320 |
| 6. | KARVY STOCK BROKING LTD. (BSE) | | | | |
| | At the beginning of the year (April 01, 2018) | 816669 | 1.123 | | |
| | Sale of Shares on April 6, 2018 | (22543) | (0.031) | 794126 | 1.092 |
| | Purchase of Shares on April 13, 2018 | 33530 | 0.046 | 827656 | 1.138 |
| | Purchase of Shares on April 20, 2018 | 25238 | 0.035 | 852894 | 1.173 |
| | Sale of Shares on April 27, 2018 | (16585) | (0.023) | 836309 | 1.150 |
| | Purchase of Shares on May 4, 2018 | 5768 | 0.008 | 842077 | 1.158 |
| | Sale of Shares on May 11, 2018 | (4005) | (0.006) | 838072 | 1.152 |
| | Sale of Shares on May 18, 2018 | (133728) | (0.184) | 704344 | 0.968 |
| | Sale of Shares on May 25, 2018 | (67451) | (0.093) | 636893 | 0.875 |
| | Sale of Shares on June 1, 2018 | (20358) | (0.028) | 616535 | 0.847 |
| | Sale of Shares on June 8, 2018 | (4315) | (0.006) | 612220 | 0.841 |
| | Purchase of Shares on June 15, 2018 | 245296 | 0.337 | 857516 | 1.178 |
| | Sale of Shares on June 22, 2018 | (358848) | (0.493) | 498668 | 0.685 |
| | Purchase of Shares on June 30, 2018 | 362321 | 0.498 | 860989 | 1.183 |
| | Purchase of Shares on July 6, 2018 | 163123 | 0.224 | 1024112 | 1.407 |
| | Sale of Shares on July 13, 2018 | (31203) | (0.043) | 992909 | 1.364 |
| | Purchase of Shares on July 20, 2018 | 192362 | 0.264 | 1185271 | 1.628 |
| | Purchase of Shares on July 27, 2018 | 90269 | 0.124 | 1275540 | 1.752 |
| | Sale of Shares on August 3, 2018 | (47) | 0.000 | 1275493 | 1.752 |
| | Sale of Shares on August 10, 2018 | (59045) | (0.081) | 1216448 | 1.671 |
| | Sale of Shares on August 17, 2018 | (80336) | (0.110) | 1136112 | 1.561 |
| | Sale of Shares on August 24, 2018 | (80353) | (0.110) | 1055759 | 1.451 |
| | Sale of Shares on August 31, 2019 | (57808) | (0.079) | 997951 | 1.372 |
| | Sale of Shares on September 7, 2019 | (68000) | (0.093) | 929951 | 1.289 |
| | Purchase of Shares on September 14, 2019 | 66465 | 0.091 | 996416 | 1.370 |
| | Sale of Shares on September 21, 2019 | (58319) | (0.080) | 938097 | 1.290 |
| | Sale of Shares on September 29, 2018 | (92875) | (0.128) | 845222 | 1.162 |
| | Sale of Shares on October 5, 2018 | (3834) | (0.005) | 841388 | 1.157 |
| | Sale of Shares on October 12, 2018 | (4989) | (0.007) | 836399 | 1.150 |
| | Sale of Shares on October 19, 2018 | (3971) | (0.005) | 832428 | 1.145 |
| | Purchase of Shares on October 26, 2018 | 545 | 0.001 | 832973 | 1.146 |
| | Sale of Shares on November 2, 2018 | (1083) | (0.001) | 831890 | 1.145 |
| | Sale of Shares on November 9, 2018 | (1079) | (0.001) | 830811 | 1.144 |
| | Purchase of Shares on November 16, 2018 | 381 | 0.001 | 831192 | 1.145 |
| | Purchase of Shares on November 23, 2018 | 103 | 0.000 | 831295 | 1.145 |
| | Purchase of Shares on November 30, 2018 | 4838 | 0.007 | 836133 | 1.152 |
| | Sale of Shares on December 7, 2018 | (6429) | (0.009) | 829704 | 1.143 |
| | Sale of Shares on December 14, 2018 | (519) | (0.001) | 829185 | 1.142 |
| | Sale of Shares on December 21, 2018 | (9683) | (0.013) | 819502 | 1.129 |
| | Sale of Shares on December 28, 2018 | (1421) | (0.002) | 818081 | 1.127 |

DIRECTORS' REPORT 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 |
| 6. | KARVY STOCK BROKING LTD. (BSE) | | | | |
| | Sale of Shares on December 31, 2018 | (100) | 0.000 | 817981 | 1.127 |
| | Purchase of Shares on January 4, 2019 | 13857 | 0.019 | 831838 | 1.146 |
| | Sale of Shares on January 11, 2019 | (126) | 0.000 | 831712 | 1.146 |
| | Purchase of Shares on January 18, 2019 | 98 | 0.000 | 831810 | 1.146 |
| | Sale of Shares on January 25, 2019 | (193) | 0.000 | 831617 | 1.146 |
| | Purchase of Shares on February 1, 2019 | 891 | 0.001 | 832508 | 1.147 |
| | Purchase of Shares on February 8, 2019 | 7833 | 0.011 | 840341 | 1.158 |
| | Sale of Shares on February 15, 2019 | (6434) | (0.009) | 833907 | 1.149 |
| | Sale of Shares on February 22, 2019 | (47515) | (0.065) | 786392 | 1.084 |
| | Sale of Shares on March 1, 2019 | (21553) | (0.030) | 764839 | 1.054 |
| | Purchase of Shares on March 8, 2019 | 2331 | 0.003 | 767170 | 1.057 |
| | Purchase of Shares on March 15, 2019 | 2385 | 0.003 | 769555 | 1.060 |
| | Sale of Shares on March 22, 2019 | (300) | 0.000 | 769255 | 1.060 |
| | Sale of Shares on March 29, 2019 | (12006) | (0.017) | 757249 | 1.043 |
| | At the end of the year (March 31, 2019) | - | - | 757249 | 1.043 |
| 7. | PANKAJ LATA NIGAM | | | | |
| | At the beginning of the year (April 01, 2018) | 688026 | 0.945 | 688026 | 0.945 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 688026 | 0.945 |
| 8. | AQUA PROOF WALL PLAST PRIVATE LIMITED | | | | |
| | At the beginning of the year (April 01, 2018) | 522000 | 0.717 | 522000 | 0.717 |
| | No change in shareholding during the year | | | | |
| | At the end of the year (March 31, 2019) | - | - | 522000 | 0.717 |
| 9. | COMBITIC GLOBAL CAPLET PRIVATE LIMITED | | | | |
| | At the beginning of the year (April 01, 2018) | 0 | 0.00 | | |
| | Purchase on August 24, 2018 | 7689 | 0.011 | 7689 | 0.011 |
| | Purchase of Shares on August 31, 2018 | 342311 | 0.471 | 350000 | 0.482 |
| | Purchase of Shares on September 7, 2018 | 50000 | 0.069 | 400000 | 0.551 |
| | Purchase of Shares on September 14, 2018 | 68410 | 0.094 | 468410 | 0.645 |
| | Purchase of Shares on September 21, 2018 | 25476 | 0.035 | 493886 | 0.680 |
| | Purchase of Shares on October 19, 2018 | 6114 | 0.008 | 500000 | 0.688 |
| | At the end of the year (March 31, 2019) | - | - | 500000 | 0.688 |
| 10. | CITYGOLD INVESTMENTS PVT. LTD. | | | | |
| | At the beginning of the year (April 01, 2018) | 76900 | 0.105 | | |
| | Purchase of Shares on May 25, 2018 | 10224 | 0.014 | 87124 | 0.119 |
| | Purchase of Shares on June 1, 2018 | 2779 | 0.004 | 89903 | 0.123 |
| | Purchase of Shares on June 8, 2018 | 12751 | 0.018 | 102654 | 0.141 |
| | Purchase of Shares on June 15, 2018 | 25 | 0.000 | 102679 | 0.141 |
| | Purchase of Shares on June 22, 2018 | 11 | 0.000 | 102690 | 0.141 |
| | Purchase of Shares on June 30, 2018 | 12 | 0.000 | 102702 | 0.141 |
| | Sale of Shares on September 29, 2018 | (53314) | (0.073) | 49388 | 0.068 |
| | Purchase of Shares on October 5, 2018 | 36093 | 0.050 | 85481 | 0.118 |
| | Purchase of Shares on October 12, 2018 | 185648 | 0.255 | 271129 | 0.373 |
| | Purchase of Shares on October 19, 2018 | 45106 | 0.062 | 316235 | 0.435 |

DIRECTORS' REPORT 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 |
| 10. | CITYGOLD INVESTMENTS PVT. LTD. | | | | |
| | Purchase of Shares on October 26, 2018 | 8301 | 0.011 | 324536 | 0.446 |
| | Purchase of Shares on November 2, 2018 | 1883 | 0.003 | 326419 | 0.449 |
| | Purchase of Shares on November 16, 2018 | 605 | 0.001 | 327024 | 0.450 |
| | Purchase of Shares on November 30, 2018 | 5000 | 0.007 | 332024 | 0.457 |
| | Purchase of Shares on December 7, 2018 | 25247 | 0.035 | 357271 | 0.492 |
| | Sale of Shares on December 14, 2018 | (118) | 0.000 | 357153 | 0.492 |
| | Purchase of Shares on December 21, 2018 | 21614 | 0.030 | 378767 | 0.522 |
| | Purchase of Shares on December 28, 2018 | 11048 | 0.015 | 389815 | 0.537 |
| | Purchase of Shares on January 4, 2019 | 46 | 0.000 | 389861 | 0.537 |
| | Purchase of Shares on February 1, 2019 | 27374 | 0.038 | 417235 | 0.575 |
| | Purchase of Shares on February 8, 2019 | 3030 | 0.004 | 420265 | 0.579 |
| | Purchase of Shares on February 15, 2019 | 29767 | 0.041 | 450032 | 0.620 |
| | Purchase of Shares on February 22, 2019 | 5404 | 0.007 | 455436 | 0.627 |
| | Purchase of Shares on March 1, 2019 | 25991 | 0.036 | 481427 | 0.663 |
| | Purchase of Shares on March 15, 2019 | 50000 | 0.069 | 531427 | 0.732 |
| | Sale of Shares on March 29, 2019 | (70000) | (0.096) | 461427 | 0.636 |
| | At the end of the year (March 31, 2019) | - | - | 461427 | 0.636 |
| 11. | ANAND RATHI SHARE & STOCK BROKERS LIMITED | | | | |
| | At the beginning of the year (April 01, 2018) | 2810792 | 3.864 | | |
| | Sale of Shares on April 06, 2018 | (5391) | (0.007) | 2805401 | 3.857 |
| | Sale of Shares on April 13, 2018 | (4945) | (0.007) | 2800456 | 3.850 |
| | Sale of Shares on April 20, 2018 | (2) | 0.000 | 2800454 | 3.850 |
| | Sale of Shares on April 27, 2018 | (3322) | (0.005) | 2797132 | 3.845 |
| | Purchase of Shares on May 4, 2018 | 4930 | 0.007 | 2802062 | 3.852 |
| | Sale of Shares on May 11, 2018 | (13133) | (0.018) | 2788929 | 3.834 |
| | Sale of Shares on May 18, 2018 | (2170) | (0.003) | 2786759 | 3.831 |
| | Sale of Shares on May 25, 2018 | (1273140) | (1.750) | 1513619 | 2.081 |
| | Sale of Shares on June 1, 2018 | (3187) | (0.004) | 1510432 | 2.077 |
| | Sale of Shares on June 8, 2018 | (799431) | (1.099) | 711001 | 0.987 |
| | Sale of Shares on June 15, 2018 | (5412) | (0.007) | 705589 | 0.971 |
| | Sale of Shares on June 22, 2018 | (1602) | (0.002) | 703987 | 0.969 |
| | Sale of Shares on June 30, 2018 | (696777) | (0.958) | 7210 | 0.011 |
| | Purchase of Shares on July 6, 2018 | 110 | 0.000 | 7320 | 0.011 |
| | Purchase of Shares on July 13, 2018 | 25 | 0.000 | 7345 | 0.011 |
| | Sale of Shares on July 20, 2018 | (1043) | (0.001) | 6302 | 0.010 |
| | Purchase of Shares on July 27, 2018 | 747 | 0.001 | 7049 | 0.011 |
| | Sale of Shares on August 3, 2018 | (40) | 0.000 | 7009 | 0.011 |
| | Purchase of Shares on August 10, 2018 | 3643 | 0.005 | 10652 | 0.016 |
| | Sale of Shares on August 17, 2018 | (654) | (0.001) | 9998 | 0.015 |
| | Purchase of Shares on August 24, 2018 | 1694 | 0.002 | 11692 | 0.017 |

DIRECTORS' REPORT 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 September 7, 2018 | 2434 | 0.003 | 12118 | 0.017 |
| | Purchase of Shares on September 14, 2018 | 947 | 0.001 | 13065 | 0.018 |
| | Sale of Shares on September 21, 2018 | (1415) | (0.002) | 11650 | 0.016 |
| | Sale of Shares on September 29, 2018 | (6700) | (0.009) | 4950 | 0.007 |
| 11. | ANAND RATHI SHARE & STOCK BROKERS LIMITED | | | | |
| | Sale of Shares on October 5, 2018 | (445) | (0.001) | 4505 | 0.006 |
| | Sale of Shares on October 12, 2018 | (143) | 0.000 | 4362 | 0.006 |
| | Purchase of Shares on October 19, 2018 | 3136 | 0.004 | 7498 | 0.010 |
| | Purchase of Shares on October 26, 2018 | 839 | 0.001 | 8337 | 0.011 |
| | Sale of Shares on November 2, 2018 | (4337) | (0.006) | 4000 | 0.005 |
| | Sale of Shares on November 9, 2018 | (826) | (0.001) | 3174 | 0.004 |
| | Sale of Shares on November 16, 2018 | (1111) | (0.002) | 2063 | 0.002 |
| | Purchase of Shares on November 23, 2018 | 2960915 | 4.071 | 2962978 | 4.073 |
| | Sale of Shares on November 30, 2018 | (1155) | (0.002) | 2961823 | 4.071 |
| | Purchase of Shares on December 7, 2018 | 11478 | 0.016 | 2973301 | 4.087 |
| | Sale of Shares on December 14, 2018 | (2960214) | (4.070) | 13087 | 0.017 |
| | Sale of Shares on December 21, 2018 | (577) | (0.001) | 12510 | 0.016 |
| | Purchase of Shares on December 28, 2018 | 1397 | 0.002 | 13907 | 0.018 |
| | Purchase of Shares on December 31, 2018 | 363 | 0.000 | 14270 | 0.018 |
| | Sale of Shares on January 4, 2019 | (341) | 0.000 | 13929 | 0.018 |
| | Purchase of Shares on January 11, 2019 | 3090 | 0.004 | 17019 | 0.022 |
| | Sale of Shares on February 1, 2019 | (14034) | (0.019) | 2985 | 0.003 |
| | Purchase of Shares on February 15, 2019 | 21507 | 0.030 | 24492 | 0.033 |
| | Sale of Shares on February 22, 2019 | (20168) | (0.028) | 4324 | 0.005 |
| | Sale of Shares on March 1, 2019 | (534) | (0.001) | 3790 | 0.004 |
| | Sale of Shares on March 8, 2019 | (262) | 0.000 | 3528 | 0.003 |
| | Sale of Shares on March 15, 2019 | (540) | (0.001) | 2988 | 0.003 |
| | Purchase of Shares on March 22, 2019 | 43 | 0.000 | 3031 | 0.003 |
| | Purchase of Shares on March 29, 2019 | 358 | 0.000 | 3389 | 0.003 |
| | At the end of the year (March 31, 2019) | - | - | 3389 | 0.003 |
| 12. | TRUPTI K KARANI | | | | |
| | At the beginning of the year (April 01, 2018) | 558500 | 0.768 | | |
| | Purchase of Shares on April 6, 2018 | 10000 | 0.014 | 568500 | 0.782 |
| | Sale of Shares on June 30, 2018 | (10000) | (0.014) | 558500 | 0.768 |
| | Sale of Shares on July 13, 2018 | (25000) | (0.034) | 533500 | 0.734 |
| | Sale of Shares on July 20, 2018 | (10000) | (0.014) | 523500 | 0.720 |
| | Sale of Shares on July 27, 2018 | (10000) | (0.014) | 513500 | 0.706 |
| | Sale of Shares on August 10, 2018 | (113500) | (0.156) | 400000 | 0.550 |
| | Sale of Shares on September 7, 2018 | (100000) | (0.137) | 300000 | 0.413 |

DIRECTORS' REPORT 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 |
| | Sale of Shares on September 29, 2018 | (75845) | (0.104) | 88666 | 0.122 |
| | Sale of Shares on October 5, 2018 | (88666) | (0.122) | 0 | 0.000 |
| | At the end of the year (March 31, 2019) | - | - | 0 | 0.000 |
| | At the beginning of the year (April 01, 2018) | 519580 | 0.714 | | |
| | Sale of Shares on May 11, 2018 | (51650) | (0.071) | 467930 | 0.643 |
| | Sale of Shares on May 18, 2018 | (55725) | (0.077) | 412205 | 0.566 |
| | Sale of Shares on May 25, 2018 | (20000) | (0.027) | 392205 | 0.539 |
| | Sale of Shares on June 8, 2018 | (33000) | (0.045) | 359205 | 0.494 |
| 13. | TANGO COMMOALES | | | | |
| | Sale of Shares on June 15, 2018 | (144874) | (0.199) | 214331 | 0.295 |
| | Sale of Shares on June 22, 2018 | (209724) | (0.288) | 4607 | 0.006 |
| | Sale of Shares on June 30, 2018 | (4607) | (0.006) | 0 | 0.006 |
| | Purchase of Shares on July 6, 2018 | 7234 | 0.010 | 7234 | 0.010 |
| | Sale of Shares on July 13, 2018 | (7234) | (0.010) | 0 | 0.000 |
| | Purchase of Shares on July 20, 2018 | 4508 | 0.006 | 4508 | 0.006 |
| | Sale of Shares on July 27, 2018 | (4508) | (0.006) | 0 | 0.00 |
| | At the end of the year (March 31, 2019) | - | - | 0 | 0.00 |

v) Shareholding of Directors and Key Managerial Personnel:

| 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) | Mr. Hemant Shah (Executive Chairman) | | | | |
| | At the beginning of the year (April 01, 2018) | 5800000 | 7.97 | 5800000 | 7.97 |
| | Date wise Increase / Decrease in 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, 2019) | 5800000 | 7.97 | 5800000 | 7.97 |
| 2) | Hemant M. Shah & Vyomesh Shah | | | | |
| | At the beginning of the year (April 01, 2018) | 190000 | 0.26 | 190000 | 0.26 |
| | Date wise Increase / Decrease in 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, 2019) | 190000 | 0.26 | 190000 | 0.26 |
| 3) | Mr. Vyomesh Shah (Managing Director) | | | | |
| | At the beginning of the year (April 01, 2018) | 75,40,000 | 10.37 | 75,40,000 | 10.37 |
| | Date wise Increase / Decrease in 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, 2019) | 75,40,000 | 10.37 | 75,40,000 | 10.37 |

DIRECTORS' REPORT 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 |
| 4) | Mr. Abhijit Datta (Independent Director) | | | | |
| | At the beginning of the year (April 01, 2018) | - | - | - | - |
| | Date wise Increase / Decrease in 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, 2019) | - | - | - | - |
| 5) | Mr. Sunil Shah (Independent Director) | | | | |
| | At the beginning of the year (April 01, 2018) | - | - | - | - |
| | Date wise Increase / Decrease in 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, 2019) | - | - | - | - |
| 6) | Ms. Priti Shah (Non-Executive Director) | | | | |
| | At the beginning of the year (April 01, 2018) | - | - | - | - |
| | Date wise Increase / Decrease in 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, 2019) | - | - | - | - |
| 7) | Mr. Shailesh Hingarh (Independent Director upto February 28, 2019) | | | | |
| | At the beginning of the year (April 01, 2018) | - | - | - | - |
| | Date wise Increase / Decrease in 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 1, 2019) | - | - | - | - |
| 8) | Ms. Nancy Pereira (Chief Financial Officer) | | | | |
| | At the beginning of the year (April 01, 2018) | 200 | - | - | 200 |
| | Date wise Increase / Decrease in 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, 2019) | 200 | - | - | 200 |
| 9) | Mr. Chetan Mody (Company Secretary) | | | | |
| | At the beginning of the year (April 01, 2018) | - | - | - | - |
| | Date wise Increase / Decrease in 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, 2019) | - | - | - | - |

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

V) INDEBTEDNESS –

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

(₹ in Lakh)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 47291.41 | 16046.20 | ---- | 63337.61 |
| ii) Interest due but not paid | 6478.66 | 5303.70 | ---- | 11782.36 |
| iii) Interest accrued but not due | ---- | ---- | ---- | ---- |
| Total (i+ii+iii) | 53770.07 | 21349.90 | ---- | 75119.97 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 59645.37 | 32264.93 | ---- | 91910.30 |
| * Reduction | 57643.15 | 35242.49 | ---- | 92885.64 |
| Net Change | 2002.22 | (2977.56) | ---- | (975.34) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 50222.77 | 14045.91 | ---- | 64268.68 |
| ii) Interest due but not paid | 5549.51 | 4326.43 | ---- | 9875.94 |
| iii) Interest accrued but not due | ---- | ---- | ---- | ---- |
| Total (i+ii+iii) | 55772.28 | 18372.34 | ---- | 74144.62 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ in Lakh)

| 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 | 64.80 | 57.60 | 122.40 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 10.12 | 9.04 | 19.16 |
| | (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 - Leave Travel Allowance | 5.40 | 4.80 | 10.20 |
| | Total (A) | 80.32 | 71.44 | 151.76 |
| | Ceiling as per the Act | ₹ 186.31 Lakh (being 10% of the net profit computed in accordance with section 198 of the Companies Act, 2013). | | |

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

B. Remuneration to other directors:

(₹ in Lakh)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|--------------------------------------|---|--|----------------|--|----------------|--|
| | | Mr. Abhijit Datta | Mr. Sunil Shah | Mr. Shailesh Hingarh (upto February 28, 2019) | Ms. Priti Shah | |
| 1 | Independent Directors | | | | | |
| | Fee for attending Board/ Committee meetings | 2.30 | 3.70 | 3.40 | - | 9.40 |
| | Commission | 5.08 | 5.08 | 3.39 | - | 13.55 |
| | Others, please specify | - | - | - | - | - |
| | Total (1) | 7.38 | 8.78 | 6.79 | - | 22.95 |
| 2 | Other Non-Executive Directors | | | | | |
| | Fee for attending Board/ Committee meetings | - | - | - | 2.20 | 2.20 |
| | Commission | - | - | - | 5.08 | 5.08 |
| | Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | - | 7.28 | 7.28 |
| | Total (B)=(1+2) | 7.38 | 8.78 | 6.79 | 7.28 | 30.23 (including sitting fees) 18.63 (excluding sitting fees) |
| Total Managerial Remuneration | | | | | | 170.39 |
| Overall ceiling as per the Act | | ₹ 204.94 Lakh being 11 % of the net profit as computed under 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) | Ms. Nancy Pereira (Chief Financial Officer) | Total |
| 1 | Gross salary | 29.40 | 49.95 | 79.35 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.29 | 0.97 | 1.26 |
| | (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 | - | - | - |
| | Total | 29.69 | 50.92 | 80.61 |

HUBTOWN

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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

ANNEXURE - 'D'

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.
Hubtown CSR Policy encompasses philosophy for delineating its responsibility as corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programme for the welfare and sustainable development of the community at large. This Policy is a commitment to support initiatives that measurably improve the lives of the underprivileged by one or more of the focus areas as notified under Schedule VII to the Companies Act, 2013.
Weblink : <http://hubtown.co.in/investors/codesandpolicies>.
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 : ₹ 1621.19 lakh
4. Prescribed CSR expenditure (two percent of the amount as in Item 3 above)
The Company is required to spend : ₹ 32.42 lakh
5. Details of CSR spend for the financial year.
 - a. Total amount spent for the financial year : ₹ 70 lakh
 - 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. | Promotion of Education | Literacy | Kankavali | ₹ 70 lakh | ₹ 70 lakh | ₹ 70 lakh | Implementing Agency |

Details of the Implementing Agency : Sindhudurg Shikshan Prasarak Mandal (SSPM) is the implementing agency. SSPM started the first engineering degree college at Kankavali in Sindhudurg District of Maharashtra, in the year 1999. SSPM has also established in 2017 a medical college at Padvave, Sindhudurg. SSPM also runs 'Dairy development College' in Kankavali. SSPM has also set up a Vridhashram at Bhiravande near Kankavali.

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
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: August 14, 2019

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

| | | | |
|----|--|-------------------------|--|
| 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, 2019 | | |
| | Name | Designation | Ratio of remuneration to the median employees' remuneration |
| | Hemant M. Shah | Executive Chairman | 13:1 |
| | Abhijit Datta | Independent Director | N.A. |
| | Shailesh Hingarh (upto February 28, 2019) | Independent Director | N.A. |
| | Sunil C. Shah | Independent Director | N.A. |
| | Priti K. Shah | Non-Executive Director | N.A. |
| | Vyomesh M. Shah | Managing Director | 12:1 |
| | Remuneration is considered by way of commission only in case of Independent and Non-Executive Directors. | | |
| 2. | Percentage increase / (decrease) in remuneration of each Director and Key Managerial Personnel in the Financial Year 2018-2019 | | |
| | Name | Designation | Increase / (Decrease) in remuneration over 2017-2018 |
| | Hemant M. Shah | Executive Chairman | NIL |
| | Vyomesh M. Shah | Managing Director | NIL |
| | Abhijit Datta | Independent Director | 10.43 % |
| | Shailesh Hingarh # # (upto February 28, 2019) | Independent Director | N.A. |
| | Sunil C. Shah | Independent Director | 10.43 % |
| | Priti K. Shah | Non-Executive Director | 10.43 % |
| | Nancy Pereira | Chief Financial Officer | NIL |
| | Chetan S. Mody | Company Secretary | NIL |
| | There has been no increase in the remuneration of the Executive Chairman and the Managing Director. Independent and Non-Executive Directors are paid commission upto 1 % of the net profit of the Company and hence the change in remuneration is due to change in the net profit of the Company for the financial year under review as compared to the net profit of the previous financial year. | | |
| | # # - Mr. Shailesh Hingarh was not paid any commission for the previous financial year. Hence the commission payable to him for the financial year 2018-2019 may not be comparable with the previous financial year. | | |
| | Remuneration considered is by way of commission only. Sitting fees received is not included in the computation of remuneration received. | | |
| 3. | The percentage increase in the median remuneration of employees in the Financial Year 2018-2019 | | |
| | There is approx. NIL % increase in median remuneration of employees other than managerial personnel in the last financial year. | | |
| 4. | The number of permanent employees on the roll of the Company. | | |
| | As on March 31, 2019, there were 232 employees on the roll of the Company. | | |
| 5. | Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | | |
| | There is NIL % increase in median remuneration of employees other than managerial personnel in the last financial year. | | |
| | There was no change in the managerial remuneration. | | |
| | Any increase in remuneration is due to higher replacement cost of the employees leaving the organization during the financial year 2018-2019. | | |
| 6. | Affirmation that the remuneration is as per the remuneration policy of the Company. | | |
| | The Company affirms that the remuneration paid is as per the remuneration policy of the Company. | | |

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate Governance is a set of systems and practices to ensure that the affairs of a company are being managed in a manner which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet the aspirations and expectations of the stakeholders and the society as a whole. Corporate Governance necessitates professionals to raise their competency and capability levels and upgrade systems and processes to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company fundamentally believes that good corporate governance should be an internal driven need and is not to be looked upon as an issue of compliance dictated by statutory requirements. The Company's philosophy on corporate governance envisages an attainment of the highest level of transparency, accountability and equity in all facets of its operations and in all interactions with its stakeholders including the shareholders, employees, government and lenders.

The Company's corporate governance philosophy has been further strengthened through Hubtown Code of Conduct and Business Ethics for Directors and Senior Management and Hubtown Code of Conduct for Prohibition of Insider Trading.

2. BOARD OF DIRECTORS:

COMPOSITION :

As on March 31, 2019, the Board comprised of 5 (five) Directors, of whom 2 (two) are Promoter Executive Non-Independent Directors, 2 (Two) Independent Directors and 1 (one) Non-Executive Director. Subsequent to the close of the year under review, the Board appointed Mr. Mahesh A. Kuvadia as an Additional Director designated as Non-Executive Independent Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013.

None of the Directors on the Board :

- i. are directors in more than 10 (ten) public limited companies; or
- ii. act as an Independent Director in more than 7 (seven) listed companies; or 3 (three) listed companies in case he serves as Wholetime / Managing Director in any listed entity;
- iii. is a member of more than 10 (ten) committees or act as chairman of more than 5 (five) committees across all listed entities in which he is a director as specified in Regulation 26 (1) of the SEBI Listing Regulations.

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.

All the Independent Directors have confirmed that they meet the criteria of independence as stipulated in Section 149 (6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations. Further, in terms of Regulation 25 (8) of the SEBI Listing Regulations, all the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The Board, based on the declarations received from the Independent Directors, is of the opinion that each of them fulfils the criteria of independence prescribed under the Companies Act, 2013 and the SEBI Listing Regulations and that they are independent from the management.

The Company currently has right mix of Directors on the Board who possess the requisite qualifications and experience in general corporate management, law, finance, marketing and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. Presently, the Board does not have any Nominee Director on its Board representing any institution.

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

None of the Non-Executive Directors hold any shares in the Company. For this purpose, shares held singly or as first joint shareholder are only to be considered. The Company has not issued any convertible instruments.

RESPONSIBILITIES :

The Board of Directors represents the interests of the Company's stakeholders in optimizing long-term value by providing the management with guidance and strategic direction. The Board's mandate is to oversee the Company's strategic operations, review corporate performance, assess the adequacy of risk management and mitigation measures, evaluate internal financial controls authorise and monitor strategic investments, ensure regulatory compliance and safeguard interests of all the stakeholders.

During the year 2018-2019, information mentioned in Part 'A' of Schedule II of Regulation 17 (7) of the SEBI Listing Regulations, has been placed before the Board for its consideration.

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) are as under :

| Name of Director | Category of Directorship | Directorship in other public limited companies (*) | No. of Board Committee positions held in other public limited companies | | Relationship with other Directors inter-se |
|---|---|--|---|----------|--|
| | | | Chairman | Member @ | |
| Mr. Hemant M. Shah Executive Chairman DIN : 00009659 | Promoter, Executive Non-Independent | ---- | ---- | ---- | Related to Mr. Vyomesh M. Shah |
| Mr. Abhijit Datta DIN : 00790029 | Non-Executive Independent | 3 | 2 | 3 | } Not related to any other Director of the Company |
| Mr. Shailesh Hingarh (upto March 1, 2019) DIN : 00166916 | Non-Executive Independent | 4 | ---- | ---- | |
| Mr. Sunil C. Shah DIN : 06947244 | Non-Executive Independent | ---- | ---- | ---- | |
| Mr. Mahesh A. Kuvadia DIN : 07195042 (from June 12, 2019) | Non-Executive Independent | 3 | 1 | 4 | |
| Mrs. Priti K. Shah DIN : 01880436 | Non-Executive | ---- | ---- | ---- | |
| Mr. Vyomesh M. Shah Managing Director DIN : 00009596 | Promoter, Executive Non-Independent | 1 | ---- | ---- | Related to Mr. Hemant M. Shah |

- Independent Director means a Director as defined under Regulation 16 (1) (b) of the SEBI Listing Regulations and Section 149 (6) of the Act.
- (*) – excludes Alternate Directorships, Directorships in Indian Private Limited Companies and Foreign Companies and membership of Managing Committees of various bodies.
- @ - Member includes Chairman.
- For the purpose of determination of limit of the Board Committees, only memberships of Audit Committees and Stakeholders' Relationship Committees of all public limited companies have been considered as prescribed under Regulation 26 (1) (b) of the SEBI Listing Regulations.
- None of the Directors hold directorship in more than 10 (ten) public companies.

In terms of Schedule V – Part C (2) (c) of the SEBI Listing Regulations, the details of listed entities where the Directors of the Company are Directors along with the category of Directorship as on March 31, 2019 are given below :

| Sr. No. | Name of the Director | Listed Entities in which Director is a Director | Category of Directorship |
|---------|---|---|-------------------------------------|
| 1. | Mr. Hemant M. Shah | Hubtown Limited | Chairman, Executive Non-Independent |
| 2. | Mr. Abhijit Datta | Hubtown Limited | Non-Executive, Independent |
| | | Bengal Tea and Fabrics Limited | Non-Executive, Independent |
| | | Emami Realty Limited | Non-Executive, Independent |
| 3. | Mr. Sunil C. Shah | Hubtown Limited | Non-Executive Independent |
| 4. | Mr. Mahesh A. Kuvadia (from June 12, 2019) | Hubtown Limited | Non-Executive Independent |
| | | Kesar Enterprises Limited | Non-Executive Independent |
| | | Aishwarya Telecom Limited | Non-Executive Independent |
| 5. | Mrs. Priti K. Shah | Hubtown Limited | Non-Executive |
| 6. | Mr. Vyomesh M. Shah | Hubtown Limited | Managing Director, Non-Independent |

CORPORATE GOVERNANCE REPORT (CONTD.)

BOARD DIVERSITY :

Pursuant to Regulation 19 (4) read with Part 'D' of Schedule II to the SEBI 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 :

At the ensuing Annual General Meeting, Mrs. Priti K. Shah (DIN:01880436) retires by rotation and being eligible, offers herself for reappointment. Further, the first term of office of Mr. Abhijit Datta and Mr. Sunil C. Shah as Independent Directors of the Company expires on September 25, 2019. The Board of Directors has recommended the reappointment of Mr. Abhijit Datta and Mr. Sunil C. Shah for second term of five consecutive years as Independent Directors, subject to the approval of the shareholders by special resolutions in the ensuing Annual General Meeting. The Board of Directors has also recommended the appointment of Mr. Mahesh A. Kuvadia as Non-Executive Independent Director, subject to the approval of the shareholders.

A detailed profile of the Directors to be appointed/reappointed along with additional information as required under Regulations 26 (4) and 36 (3) of the SEBI Listing Regulations is provided separately by way of an annexure to the Notice of the Annual General Meeting.

AGENDA :

The agenda alongwith the detailed notes are circulated in advance to the Board members. The items in the agenda are backed by detailed background information to enable the Board to take appropriate decisions and to discharge its responsibility effectively. The agenda also includes the minutes of the meetings of all the Board Committees and subsidiary companies for the information of the Board. In addition, for any business exigencies, the resolutions are passed by circulation where permissible, and later placed in the ensuing Board meeting for noting and confirmation.

ROLE OF INDEPENDENT DIRECTORS :

The Independent Directors bring to the Company a wide range of experience, knowledge and judgement 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.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS :

The Company has conducted familiarization programme for its Independent Directors during the year under review. The programme aims to familiarize the Independent Directors to understand the Company, its operations, its business, industry and environment in which it operates and the regulatory environment applicable to it and to facilitate them in performing their duties as Independent Directors. The details of familiarization program imparted to Independent Directors are disclosed on the website of the Company at <http://www.hubtown.co.in/investors/codesandpolicies>.

SEPARATE MEETING OF INDEPENDENT DIRECTORS :

As required by the Code of Independent Directors under Schedule VI to the Companies Act, 2013 and Regulation 25 (3) of the SEBI Listing Regulations, the Independent Directors met on May 29, 2018 to review the performance of Non-Independent Directors (including the Chairman of the Company) and the Board as a whole. The Independent Directors also assessed the quality, content and timelines of flow of information between the management and the Board that is to effectively and reasonable perform and discharge their duties.

CORPORATE GOVERNANCE REPORT (CONTD.)

SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS :

The Directors of the Company collectively bring with them a wide of skills, expertise and competence with their rich, wide and varied experience, which enhances the quality of the Board's decision making process. The details of the core skill / expertise / competence identified by the Board of Directors relating to the business of the Company for it to function effectively are reproduced below :

| | |
|---------------------------------|---|
| Industry knowledge / experience | <ul style="list-style-type: none"> • exposure and experience of real estate business • knowledge of the real estate sector • understanding of government legislation / legislation process • recognition of emerging trends and opportunities • assessment of key risks for the business |
| Technical skill and experience | <ul style="list-style-type: none"> • technical and professional qualification and expertise in the field of project development, accounts, law, finance, business management, marketing, etc. • CEO / senior management experience • strategy development and implementation |
| Governance competencies | <ul style="list-style-type: none"> • strategic thinking and planning from a governance perspective • compliance focus |
| Behavioural competencies | <ul style="list-style-type: none"> • common sense and sound judgement • integrity and high ethical standards • mentoring abilities • interpersonal relations • verbal communication skill • understanding of effective decision making process • willingness and ability to devote time and energy to the role |

BOARD MEETINGS

During the year under review, the Board met 6 (Six) times. The meetings were held on May 29, 2018; July 12, 2018; August 13, 2018; November 14, 2018; January 28, 2019 and February 13, 2019 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

The attendance of the Directors at the above mentioned Board Meetings and the 30th AGM held on September 27, 2018 are detailed hereunder:

| Name of the Director | No. of Board Meetings attended | Whether attended last AGM held on September 27, 2018 |
|---|--------------------------------|--|
| Mr. Hemant M. Shah | 6 | Yes |
| Mr. Abhijit Datta | 2 | Yes |
| Mr. Shailesh Hingarh (upto February 28, 2019) | 5 | Yes |
| Mr. Sunil C. Shah | 6 | Yes |
| Mrs. Priti K. Shah | 6 | No |
| Mr. Vyomesh M. Shah | 6 | Yes |

Leave of absence was granted to the concerned directors who could not attend the respective Board meetings.

The Board met on May 28, 2019, to inter-alia approve the audited annual standalone financial statements and results and audited annual consolidated financial statements and results of the Company for the year ended March 31, 2019.

MEETING COMPLIANCES:

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

RESIGNATION OF INDEPENDENT DIRECTOR :

Mr. Shailesh Hingarh, Independent Director stepped down from the Board of Directors of the Company owing to his other commitments, with effect from March 1, 2019. Mr. Shailesh Hingarh has confirmed that there are no other material reasons for his resignation.

CORPORATE GOVERNANCE REPORT (CONTD.)

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, and Corporate Social Responsibility Committee and non-mandatory committee namely Risk Management Committee and 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 placed 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 subsequent Board Meetings for noting.

I. AUDIT AND COMPLIANCE COMMITTEE :

BROAD TERMS OF REFERENCE :

The terms of reference specified for the Audit and Compliance Committee are as per the provisions of Section 177 of the Act, and Part 'C' of Schedule II of Regulation 18 (3) of the SEBI Listing Regulations. These broadly include :

- a. oversight of the Company's financial reporting process ;
- b. recommendation for appointment, reappointment, terms of appointment of the statutory auditors and the fixation of audit fees;
- c. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- d. reviewing with the management, the quarterly financial statements and the auditor's report thereon before submission to the Board for approval;
- e. evaluation of internal financial controls and risk management system;
- f. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- g. discussion with internal auditors of any significant findings and follow up thereon;
- h. discussion 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;
- i. approving the appointment of Chief Financial Officer (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;
- j. approval or any subsequent modification of transactions of the Company with related parties;
- k. scrutiny of inter-corporate loans and investments;
- l. reviewing the functioning of the Whistle Blower mechanism;
- m. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees one hundred crore or 10 percent of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments ; and
- n. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

COMPOSITION :

The composition of the Audit and Compliance Committee is in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Listing Regulations. The Audit and Compliance Committee presently comprises of 4 (four) Directors, 3 (three) of whom are Non-Executive, Independent Directors and 1 (one) Executive Non-Independent Director. The Committee was reconstituted by the Board in its meeting held on June 12, 2019 by appointing Mr. Mahesh A. Kuvadia, Non-Executive Independent Director as a member of the Committee in place of Mr. Shailesh Hingarh. All the members of the Committee are financially literate and have accounting and financial management expertise. As required under Regulation 18 (1) (d) of the SEBI Listing Regulations, the Chairman of the Committee is a Non-Executive, Independent Director. The Company Secretary acts as Secretary to the Audit 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 Auditor is also invited to the meeting(s) for discussion on Cost Audit Report and for other related matters, if any.

CORPORATE GOVERNANCE REPORT (CONTD.)

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

| Name of the Director | Designation in Committee | Designation in Board |
|---|--------------------------|--------------------------------------|
| Mr. Abhijit Datta | Chairman | Non-Executive Independent |
| Mr. Shailesh Hingarh (upto February 28, 2019) | Member | Non-Executive Independent |
| Mr. Mahesh A. Kuvadia (from June 12, 2019) | Member | Non-Executive Independent |
| Mr. Sunil C. Shah | Member | Non-Executive Independent |
| Mr. Vyomesh M. Shah | Member | Promoter, Executive, Non-Independent |

The Committee reviews the reports of the Internal and Statutory Auditors and ensures that adequate follow-up action is taken by the management on observations and recommendations made by the respective auditors.

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

MEETINGS AND ATTENDANCE :

During the year under review, the Committee met 5 (Five) times. The meetings were held on May 29, 2018; July 12, 2018; August 13, 2018; November 14, 2018 and February 13, 2019. 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 | 2 |
| Mr. Shailesh Hingarh (upto February 28, 2019) | 4 |
| Mr. Sunil C. Shah | 5 |
| Mr. Vyomesh M. Shah | 5 |

Mr. Abhijit Datta, Chairman of the Audit and Compliance Committee was present at the Annual General Meeting of the Company held on September 27, 2018 to answer the queries of the shareholders.

The Committee met on May 28, 2019 to inter-alia review the audited annual standalone financial results and the audited consolidated financial results of the Company for the year ended March 31, 2019 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 Committee.

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.

II. NOMINATION AND REMUNERATION COMMITTEE:

COMPOSITION :

The constitution, scope and powers of the Nomination and Remuneration Committee (NRC) is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration (NRC) Committee presently comprises of 4 (four) Directors, of whom 2 (two) are Non-Executive, Independent Directors, 1(one) Non-Executive Director and 1 (one) Executive Non-Independent Director. The Chairman of the Committee is a Non-Executive Independent Director. The Company Secretary of the Company acts as Secretary to the NRC.

The present composition of the NRC is as follows:

| Name of the Director | Designation in Committee | Designation in Board |
|----------------------|--------------------------|--------------------------------------|
| Mr. Abhijit Datta | Chairman | Non-Executive Independent |
| Mr. Sunil Shah | Member | Non-Executive Independent |
| Mrs. Priti K. Shah | Member | Non-Executive |
| Mr. Hemant M. Shah | Member | Promoter, Executive, Non-Independent |

Mr. Abhijit Datta, Chairman of the NRC was present at the Annual General Meeting of the Company held on September 27, 2018 to provide clarification on matters relating to managerial remuneration.

CORPORATE GOVERNANCE REPORT (CONTD.)

TERMS OF REFERENCE :

The Committee determines the remuneration of the Executive Directors and Non-Executive Directors. The terms of reference of the NRC are wide enough to cover the matters specified under Part D of Schedule II to Regulation 19 (4) of the SEBI Listing Regulations and the provisions of Section 178 of the Act, which are hereunder :

- i. formulation of 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;
- ii. formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii. devising a policy on diversity of Board of Directors;
- iv. identifying 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;
- v. whether to extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors; and
- vi. recommend to the Board, the remuneration payable, in whatever form, to the senior management.

Please refer to the Directors' Report - Annexure – 'A' for Performance Evaluation Criteria for the Independent Directors.

MEETING AND ATTENDANCE :

The NRC met 1 (once) during the year under review. The meeting was held on May 29, 2018. The attendance of each member at the said meeting is as under :

| Name of the Director | No. of meetings attended |
|----------------------|--------------------------|
| Mr. Abhijit Datta | 1 |
| Mrs. Priti K. Shah | 1 |
| Mr. Sunil C. Shah | 1 |
| Mr. Hemant M. Shah | 1 |

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

REMUNERATION POLICY :

Pursuant to the provisions of Section 178 of the Act, the Company has formulated a Policy on the appointment of persons as Director, Key Managerial Personnel and Senior Management and their evaluation thereof. 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 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.

The Policy is available on the website of the Company at <http://www.hubtown.co.in/investors/codesandpolicies> and is also appended as Annexure 'A' to the Directors' Report.

REMUNERATION OF DIRECTORS :

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 an 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. Presently, the sitting fees payable to Non-Executive Directors, as determined by the Board 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).

CORPORATE GOVERNANCE REPORT (CONTD.)

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 members have authorized the Board for payment of commission not exceeding 1 % of the net profit of the Company, subject to a ceiling limit of ₹40,00,000/- (Rupees Forty Lakh) per annum. The Board has approved the payment of commission of an amount of ₹18,63,080/- (not exceeding 1% of the net profit of the Company computed in accordance with the provisions of Section 198 of the Act), for the financial year ended March 31, 2019, to be apportioned among the Independent and Non-Executive Directors in proportion to the period for which each of them held office as Director during the year under review.

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

None of the Non-Executive Independent and 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 (NRC) and approved by the Board, subject to the approval of the members. Annual increments are decided by the NRC within the salary scale approved by the members. The NRC decides on the performance incentive payable to the Executive Chairman and the Managing Director, out of the profits of each financial year and within the ceilings prescribed under the Act, based on the performance of the Company as well as that of the Executive Chairman and the Managing Director.

The remuneration structure consists of basic salary, perquisites and allowances and other benefits including use of the Company's car with driver, telephone and other communication facilities (expenses whereof would be borne and paid by the Company), contribution to provident fund 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.

DETAILS OF REMUNERATION TO ALL DIRECTORS FOR THE YEAR ENDED MARCH 31, 2019

NON-EXECUTIVE DIRECTORS :

| Name of the Director | Sitting Fees (Gross) ₹ | Commission (Gross) ₹ | No. of Shares held |
|---|---------------------------|-------------------------|--------------------|
| Mr. Abhijit Datta | 230000 | 508113 | Nil |
| Mr. Sunil C. Shah | 370000 | 508113 | Nil |
| Mr. Shailesh Hingarh (upto February 28, 2019) | 340000 | 338741 | Nil |
| Mrs. Priti K. Shah | 220000 | 508113 | Nil |

EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR :

| Name of the Director | Salaries ₹ | Perquisite and Allowances ₹ | Contribution to Provident Fund ₹ | Performance Incentive ₹ | Service Contract (Present) |
|--|---------------|--------------------------------|-------------------------------------|----------------------------|----------------------------|
| Mr. Hemant M. Shah, Executive Chairman | 6480000 | 1551600 | 777600 | Nil | 5 years |
| Mr. Vyomesh M. Shah, Managing Director | 5760000 | 1383600 | 691200 | Nil | 5 years |

The aforesaid remuneration paid to the Directors is in line with the remuneration policy of the Company.

CORPORATE GOVERNANCE REPORT (CONTD.)

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

COMPOSITION :

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

| Name of the Director | Designation in Committee | Designation in Board |
|---|--------------------------|-------------------------------------|
| Mr. Sunil C. Shah | Chairman | Non-Executive, Independent |
| Mr. Shailesh Hingarh (upto February 28, 2019) | Member | Non-Executive Independent |
| Mrs. Priti K. Shah | Member | Non-Executive |
| Mr. Hemant M. Shah (w.e.f. April 15, 2019) | Member | Promoter, Executive Non-Independent |

As on March 31, 2019, the Stakeholders' Relationship Committee comprised of 2 (two) Non-Executive Directors. Consequent to the cessation of Mr. Shailesh Hingarh as an Independent Director and as a member of the Committee, the Committee was reconstituted by the Board at its meeting held on April 15, 2019 by appointing Mr. Hemant M. Shah, Executive Chairman as a member of the Committee.

The reconstituted Committee is in accordance with the requirements of the SEBI Listing Amendment Regulations, 2018.

In accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Amendment Regulations, 2018, Mr. Sunil C. Shah, Non-Executive Independent Director is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

FUNCTIONS :

The role and the terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations, which are as hereunder :

- resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate share certificates, general meetings, etc.;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Transfer Agent; and
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

MEETINGS AND ATTENDANCE :

The Committee met once during the year under review on May 29, 2018.

The attendance of each member at the Stakeholders' Relationship Committee Meetings is as under :

| Name of the Director | No. of meetings attended |
|--|--------------------------|
| Mr. Sunil C. Shah | 1 |
| Mr. Shailesh Hingarh (upto February 28,2019) | 1 |
| Mrs. Priti K. Shah | 1 |

The Company Secretary of the Company is the Compliance Officer for the purpose of the SEBI Listing Regulations.

CORPORATE GOVERNANCE REPORT (CONTD.)

STATUS OF INVESTOR COMPLAINTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019 :

During the financial year 2018-2019, no complaints were received by the Company from the investors.

The status of investor's complaints as on March 31, 2019, is as follows :

| | |
|--|-----|
| No. of complaints pending as on April 1, 2018 | Nil |
| No. of complaints received during the financial year 2018-2019 | Nil |
| No. of complaints resolved upto March 31, 2019 | Nil |
| No. of complaints pending as on March 31, 2019 | Nil |

The number of pending requests for dematerialization as on March 31, 2019 were 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 Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended.

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 Act 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 Annexure 'D' to the Board's Report.

The CSR Policy has been disclosed on the website of the Company at <http://www.hubtown.co.in/investors/codesandpolicies>.

COMPOSITION :

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

| Name of the Director | Designation in Committee | Designation in Board |
|----------------------|--------------------------|--------------------------------------|
| 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, 2019, the CSR Committee met once on February 13, 2019.

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.

V. RISK MANAGEMENT COMMITTEE :

Regulation 21 of the SEBI Listing Regulations mandates top 100 listed entities based on market capitalization as at the end of the immediate previous financial year to constitute the Risk management Committee. Presently, the provisions of Regulation 21 of the SEBI Listing Regulations pertaining to 'Risk Management Committee' are not applicable to the Company. However, the Board has constituted a Risk Management Committee comprising of 3 (three) Directors, of whom 1 (one) is Non-Executive Independent and 2 (two) Executive Non-Independent Directors.

CORPORATE GOVERNANCE REPORT (CONTD.)

The primary role of the Risk Management Committee is that of assisting the Board in overseeing the Company's risk management process and controls.

COMPOSITION :

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

| Name of the Director | Designation in Committee | Designation in Board |
|----------------------|--------------------------|--------------------------------------|
| Mr. Abhijit Datta | Chairman | Non-Executive Independent |
| Mr. Hemant M. Shah | Member | Promoter, Executive, Non-Independent |
| Mr. Vyomesh M. Shah | Member | Promoter, Executive, Non-Independent |

The Committee met once on May 29, 2018 in which all the Committee members were present.

The Company Secretary acts as Secretary to the Committee

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 | Designation in Committee | Designation in Board |
|----------------------|--------------------------|--------------------------------------|
| 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.

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 |
|----------------|--------------------|--|------------|--|
| 2015-2016 | September 29, 2016 | Kilachand Conference Room, 2nd floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 | 10.00 A.M. | i. issue of Non-convertible Debentures on private placement basis. |
| 2016-2017 | October 30, 2017 | Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 | 10.00 A.M. | i. issue of Non-convertible Debentures on private placement basis |
| 2017-2018 | September 27, 2018 | Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020 | 10.00 A.M. | i. issue of Non-convertible Debentures on private placement basis |

The special resolutions for the financial years 2015-2016, 2016-2017 and 2017-2018 respectively, 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.

- c. No special resolution was passed through Postal Ballot during the financial year 2018-2019.

- d. No special resolution is proposed to be passed during the current financial year 2019-2020.

CORPORATE GOVERNANCE REPORT (CONTD.)

5. MEANS OF COMMUNICATION :

- i. the main channel of communication to the shareholders is through Annual Report which includes inter-alia, the audited Standalone and Consolidated Financial Statements, the Directors' Report, the Auditors' Reports and other relevant information;
- 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 approved financial results are forthwith sent to the Listed Stock Exchanges- BSE Limited and National Stock Exchange of India Limited and are published in widely circulated local daily newspapers namely 'Free Press Journal' and 'Navshakti', within forty-eight hours of approval thereof;
- v. the approved financial results are also posted on the Company's website at <http://www.hubtown.co.in/investors/financialresults>;
- vi. 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 SEBI 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; and
- vii. all news releases as and when made are also posted on the Company's website.

6. GENERAL SHAREHOLDER INFORMATION :

I. Thirty First Annual General Meeting :

| | |
|-------|--|
| Day | Wednesday |
| Date | September 25, 2019 |
| Time | 10.00 a.m. |
| Venue | Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building Indian Merchants Chamber Marg, Churchgate, Mumbai 400020 |

II. Financial Calendar :

Financial Year : April 1 to March 31

For the Financial Year 2019–2020, the Financial Results will be announced as per the following tentative schedule (subject to change) :

| | |
|---|--|
| First Quarter ending June 30, 2019 | } within 45 days of the close of the respective reporting period. |
| Second Quarter and Half Year ending September 30, 2019 | |
| Third Quarter ending December 31, 2019 | |
| Year ending March 31, 2020 | within 60 days of the close of the relevant financial year |
| Newspapers wherein results are published | Free Press Journal and Navshakti |
| Website where the financial results, shareholding pattern, corporate governance report and annual report, etc. are uploaded | www.hubtown.co.in www.bseindia.com www.nseindia.com |

III. Dividend Payment Date:

The Board of Directors has not recommended any dividend on the equity shares for the year ended March 31, 2019.

IV. Listing Information :

The Company's equity shares are listed on BSE Limited and the National Stock Exchange of India Limited.

| Name of the Stock Exchange | Address |
|--|--|
| BSE Limited | Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400001 |
| The National Stock Exchange of India Limited | Exchange Plaza, C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai 400051 |

Annual Listing Fee for the year 2019-2020 has been paid by the Company to BSE and NSE.

CORPORATE GOVERNANCE REPORT (CONTD.)

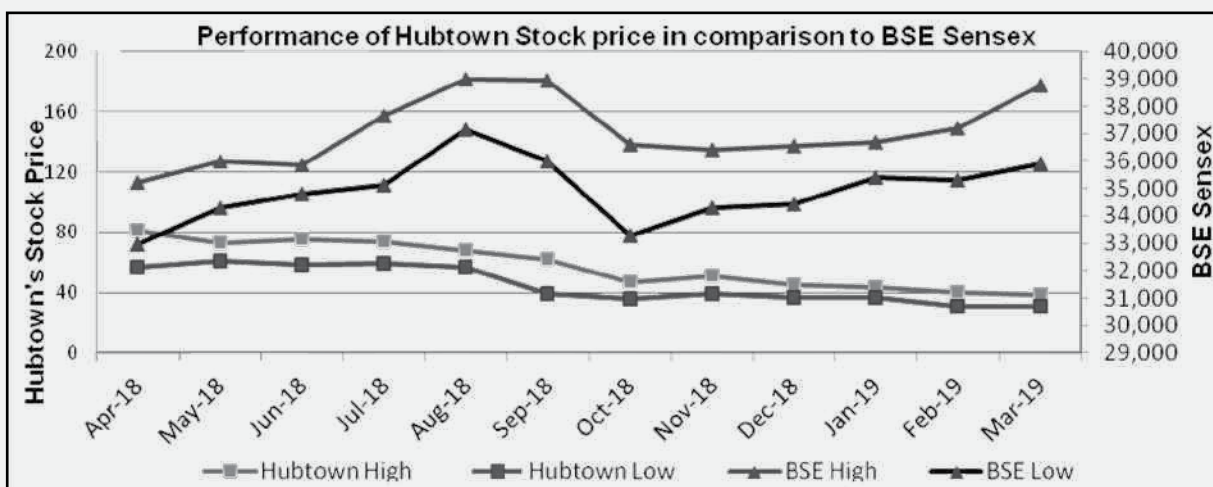
V. Stock Code :

| Name of the Stock Exchange | Stock Code |
|---|-----------------------|
| BSE Limited | 532799 |
| The National Stock Exchange of India Limited | HUBTOWN EQ |
| Corporate Identification Number (CIN) | L45200MH1989PLC050688 |
| International Securities Identification Number (ISIN) – Equity Shares | INE703H01016 |

VI. Market Price Data during 2018 - 2019 :

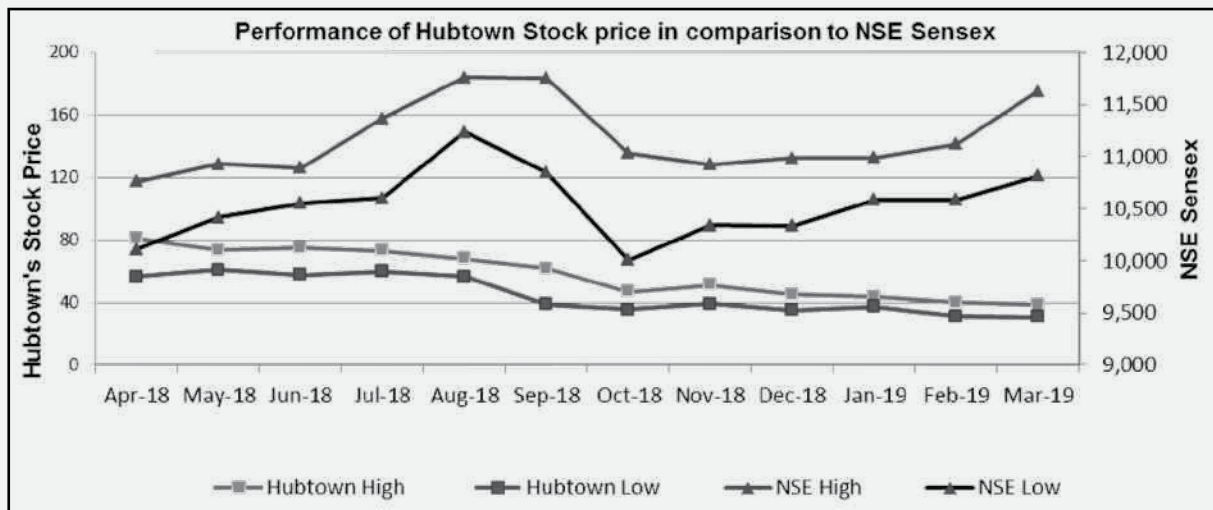
The monthly high and low market price and volume of the Company's shares traded on BSE and NSE during each month of the Financial Year from April 1, 2018 to March 31, 2019 are given below:

| MONTH | BSE | | | BSE SENSEX | |
|------------------|----------|---------|------------------|------------|-------|
| | High (₹) | Low (₹) | Volume (in nos.) | High | Low |
| April – 2018 | 80.85 | 57 | 2879626 | 35213 | 32972 |
| May – 2018 | 73.05 | 61 | 1000743 | 35993 | 34302 |
| June – 2018 | 75.35 | 58.8 | 3367696 | 35877 | 34784 |
| July – 2018 | 73.6 | 59.7 | 3110442 | 37644 | 35106 |
| August – 2018 | 68 | 56.7 | 741975 | 38989 | 37128 |
| September – 2018 | 61.7 | 39 | 628540 | 38934 | 35985 |
| October – 2018 | 46.45 | 35.9 | 453873 | 36616 | 33291 |
| November – 2018 | 50.65 | 39.55 | 145768 | 36389 | 34303 |
| December - 2018 | 45.1 | 37 | 167221 | 36554 | 34426 |
| January - 2019 | 43.45 | 37 | 109644 | 36701 | 35375 |
| February - 2019 | 40.15 | 31.25 | 487090 | 37172 | 35287 |
| March - 2019 | 38.2 | 30.6 | 394944 | 38748 | 35926 |



CORPORATE GOVERNANCE REPORT (CONTD.)

| | NSE | | | NSE NIFTY | |
|------------------|----------|---------|------------------|-----------|-------|
| | High (₹) | Low (₹) | Volume (in nos.) | High | Low |
| April – 2018 | 80.9 | 56.7 | 9956570 | 10759 | 10111 |
| May – 2018 | 73.2 | 60.8 | 4996697 | 10929 | 10417 |
| June – 2018 | 74.9 | 57.5 | 8045787 | 10893 | 10550 |
| July – 2018 | 72.95 | 59.8 | 5247338 | 11366 | 10604 |
| August – 2018 | 68 | 56.5 | 4941692 | 11760 | 11234 |
| September – 2018 | 61.7 | 38.6 | 3664412 | 11751 | 10850 |
| October – 2018 | 46.8 | 35.6 | 4316006 | 11035 | 10004 |
| November – 2018 | 51 | 39.25 | 1157425 | 10922 | 10341 |
| December - 2018 | 45 | 34.95 | 908140 | 10985 | 10333 |
| January - 2019 | 43.5 | 37.2 | 1022167 | 10987 | 10583 |
| February - 2019 | 39.9 | 31.15 | 1276388 | 11118 | 10585 |
| March - 2019 | 38.2 | 30.7 | 1689908 | 11630 | 10817 |



Source : www.bseindia.com; www.nseindia.com

VIII. Suspension of Trading in securities :

There was no suspension of trading in securities of the Company during the year under review.

IX. Registrar and Transfer Agent :

Link Intime India Private Limited
 247 Park , C 101 1st Floor , LBS Marg , Vikhroli (W) , Mumbai – 400 083
 Tel : 022- 4918 6000 ; Fax : 022 4918 6060 ;
 website : www.linkintime.co.in ; e-mail : rnt.helpdesk@linkintime.co.in
 Time : 10.00 a.m. to 1.00 p.m. and 1.30 p.m. to 4.00 p.m.

X. Share Transfer System :

The shares of the Company are mandatorily traded in dematerialized form on BSE and NSE, with 99.99 percent of the issued share capital of the Company being held in demat form. The transfer, if any, of physical shares are processed and returned to the shareholders within the prescribed statutory time limit, provided the documents are valid and complete in all respect. Pursuant to the proviso to Regulation 40 of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository.

CORPORATE GOVERNANCE REPORT (CONTD.)

XI. Distribution of shareholding size class as on March 31, 2019 :

| Slab of shareholding | No. of shareholders | % of shareholders | No. of shares held | % of shareholding |
|----------------------|---------------------|-------------------|--------------------|-------------------|
| 1 – 500 | 21147 | 88.6295 | 1690973 | 2.3248 |
| 501 – 1000 | 1167 | 4.8910 | 968038 | 1.3309 |
| 1001 – 2000 | 631 | 2.6446 | 994125 | 1.3668 |
| 2001 – 3000 | 231 | 0.9681 | 598721 | 0.8231 |
| 3001 – 4000 | 115 | 0.4820 | 410756 | 0.5647 |
| 4001 – 5000 | 124 | 0.5197 | 589905 | 0.8110 |
| 5001 – 10000 | 164 | 0.6873 | 1231890 | 1.6936 |
| 10001 – above | 281 | 1.1777 | 66251463 | 91.0850 |
| TOTAL | 23860 | 100 | 72735871 | 100 |

XII. Distribution of shareholding by ownership as on March 31, 2019 :

| | CATEGORY | No. of Shareholders | No. of shares held | % of Total |
|-----------|--|---------------------|--------------------|---------------|
| A. | Shareholding of Promoter and Promoter Group | | | |
| 1. | Indian | | | |
| a. | Individuals / Hindu Undivided Family | 11 | 40793272 | 56.08 |
| b. | Bodies Corporate | 2 | 600000 | 0.82 |
| | Sub-Total (A) [1] | 13 | 41393272 | 56.909 |
| 2. | Foreign | 0 | 0 | 0 |
| | Sub-Total (A) [2] | 0 | 0 | 0 |
| A. | Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2) | 13 | 41393272 | 56.909 |
| B. | Public Shareholding | | | |
| 1. | Institutions | | | |
| a. | Mutual Funds | 0 | 0 | 0 |
| b. | Financial Institutions / Banks | 3 | 423447 | 0.58 |
| c. | Venture Capital Fund | 0 | 0 | 0 |
| d. | Insurance Companies | 1 | 56937 | 0.08 |
| e. | Foreign Institutional Investors | 2 | 2659500 | 3.66 |
| f. | Central / State Government | 1 | 5 | 0 |
| | Sub-Total (B) (1) | 7 | 3139889 | 4.32 |

CORPORATE GOVERNANCE REPORT (CONTD.)

XII. Distribution of shareholding by ownership as on March 31, 2019 :

| | CATEGORY | No. of Shareholders | No. of shares held | % of Total |
|-----------|---|---------------------|--------------------|--------------|
| 2. | Non-Institutions | | | |
| a. | Bodies Corporate | 297 | 12041262 | 16.55 |
| b. | Resident Individuals | | | |
| i. | Individual shareholders holding nominal capital upto Rs.2 lakh | 21866 | 6647507 | 9.14 |
| ii. | Individual shareholders holding nominal capital in excess of Rs. 2 lakh | 66 | 5056165 | 6.95 |
| c. | NBFCs registered with RBI | 1 | 7562 | 0.01 |
| d. | Any Other (Specify) | | | |
| i. | Trusts | 3 | 1134 | 0.0016 |
| ii. | Non-Residents | 197 | 2279794 | 3.13 |
| iii. | Overseas Corporate Bodies | 2 | 11 | 0 |
| iv. | Clearing Members | 104 | 1123816 | 1.55 |
| v. | HUF | 831 | 1042459 | 1.43 |
| vi. | Foreign Nationals | 1 | 3000 | 0.0041 |
| | Sub-Total (B) (2) | 23368 | 28202710 | 38.77 |
| B. | Total Public Shareholding (B) = (B)(1) + (B) (2) | 23375 | 31342599 | 43.091 |
| | GRAND TOTAL (A) + (B) | 23388 | 72735871 | 100 |

XIII. Dematerialisation of shares and liquidity :

The Company's shares are compulsorily traded in dematerialized form on BSE and NSE. As on March 31, 2019, 7,27,35,854 equity shares constituting nearly 100 % of the total share capital of the Company were held in dematerialized form.

Status of Dematerialization as on March 31, 2019 :

| Particulars | No. of Shares | % to Total Capital |
|---|---------------|--------------------|
| National Securities Depository Limited | 59,528,789 | 81.84 |
| Central Depository Services (India) Limited | 13,207,065 | 18.16 |
| Total Dematerialized | 7,27,35,854 | 100 |
| Physical | 17 | 0 |
| Grand Total | 7,27,35,871 | 100 |

XIV. Outstanding GD ₹ / ADRs / Warrants / Convertible Instruments and their impact on Equity:

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

XV. Commodity Price Risk or foreign exchange risk and hedging activities :

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. The exposure to foreign exchange risk is minimal and hence no hedging activities for the same are carried out.

XVI. Plant Location :

Not Applicable

CORPORATE GOVERNANCE REPORT (CONTD.)

XVII. Address for Correspondence:

- All members' correspondence should be forwarded to Link Intime India Private Limited, the Registrar and Transfer Agent of the Company at the address mentioned below.
- The Company's dedicated e-mail address for Investors' complaints and other communications is : investorcell@hubtown.co.in.
- SEBI vide its Circular dated March 26, 2018 issued new measures with reference to SEBI Complaints Redressal System (SCORES). As per the new process, SEBI has requested the members to approach the Company directly at the first instance for their grievances.

| Physical Shares | | Electronic Shares |
|--|--|--|
| Address | : Link Intime India Private Limited C-101, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai – 400 083 | Respective Depository Participants of the Shareholders |
| Contact Person | : Ganesh Jadhav | |
| E-mail | : rnthelpdesk@linkintime.co.in | |
| Time | : 10.00 a.m. to 1.00 p.m. and 1.30 p.m. to 4.00 p.m. | |
| Designated e-mail for investor services | : investorcell@hubtown.co.in | |

XVIII. Credit Rating :

The Company has not obtained any credit rating during the financial year 2018-2019.

7. OTHER DISCLOSURES :

a. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS :

During the year under review there were no materially significant related party transactions entered into between the Company and its Promoters, Directors or Key Managerial Personnel, Senior Management or their relatives, subsidiaries, etc. that may have potential conflict with the interest of the Company at large. Details of related party transactions entered into by the Company in the ordinary course of its business have been disclosed in the notes forming part of the financial statements. All related party transactions were in the ordinary course of business and on an arm's length basis and have been approved by the Audit and Compliance Committee.

ii. DETAILS OF NON-COMPLIANCE RELATED TO CAPITAL MARKETS :

There were no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by any stock exchange, SEBI or other statutory authority on any matter relating to the capital markets, during the last three years.

iii. WHISTLE BLOWER POLICY – VIGIL MECHANISM :

Pursuant to Section 177 (9) and (10) of the Act and Regulation 22 of the SEBI 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 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>.

iv. COMPLIANCE WITH MANDATORY REQUIREMENTS :

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

v. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS :

The status of compliance with the non-mandatory requirements as specified in Part 'E' of Schedule II to the SEBI Listing Regulations is provided below :

a. 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.

CORPORATE GOVERNANCE REPORT (CONTD.)

b. 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. Hence the same are not sent to the shareholders.

c. Audit Qualifications:

Appropriate management explanations to the Auditors' qualifications / observations made in their respective reports have been provided in the Directors' Report.

d. Reporting of Internal Auditors :

The Internal Auditors report directly to the Audit and Compliance Committee.

vi. MATERIAL SUBSIDIARIES:

During the year under review, the Company did not have any 'material subsidiary' as defined under Regulation 24 of the SEBI Listing Regulations.

As required under Regulation 16 (1) (c) of the SEBI Listing Amendment Regulations, 2018, 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>.

vii. POLICY ON RELATED PARTY TRANSACTIONS :

The policy for related party transactions framed under Regulation 23 of the SEBI Listing Regulations and as approved by the Board has been uploaded on the website of the Company at the following link : <http://hubtown.co.in/investors/codesandpolicies>.

viii. DETAILS OF UTILIZATION OF FUNDS :

During the year under review, the Company has not raised funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI Listing Regulations.

ix. CERTIFICATE FROM A PRACTISING COMPANY SECRETARY WITH RESPECT TO DISQUALIFICATION OR OTHERWISE OF DIRECTORS :

The Company has obtained a certificate from M/s. Ashish Bhatt & Associates, practising company secretary confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is appended hereto as **Annexure – I**.

x. RECOMMENDATION OF THE COMMITTEES :

During the year under review, the Board has accepted the recommendations made by various Committees of the Board of Directors of the Company.

xi. CONSOLIDATED FEES TO STATUTORY AUDITORS:

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is ₹ 68.25 lakh.

xii. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The Company has complied with the provisions relating to constitution of Internal Complaints Committee pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and disclosure under the said Act for the year ended March 31, 2019 is given in the table hereinbelow :

| | | |
|----|--|-----|
| 1. | number of complaints filed during the financial year 2018-2019 | NIL |
| 2. | number of complaints disposed of during the financial year 2018-2019 | NIL |
| 3. | number of complaints pending as on end of the financial year 2018-2019 | NIL |

CORPORATE GOVERNANCE REPORT (CONTD.)

8. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REPORT :

The Company has complied with all the requirements of corporate governance as specified in sub-paras (2) to (10) of Para 'C' of Schedule V to the SEBI Listing Regulations.

9. COMPLIANCE WITH REQUIREMENTS UNDER REGULATIONS 17 TO 27 AND REGULATION 46 (2) (b) to (i) :

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 SEBI Listing Regulations.

10. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors has adopted Code of Conduct and Ethics for the Board of Directors and Senior Management Personnel of the Company in terms of Regulation 17 (5) of the SEBI Listing Regulations. All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2019. A declaration to this effect signed by the Managing Director is appended as **Annexure – II** to this report.

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

11. CEO AND CFO CERTIFICATION FOR FINANCIAL REPORTING AND INTERNAL CONTROLS :

Pursuant to Regulation 17 (8) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have certified to the Board regarding the financial statements for the year ended March 31, 2019. A certificate to that effect signed by the Managing Director and the Chief Financial Officer is appended as **Annexure - III** to this Report.

12. SECRETARIAL AUDITOR'S 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 SEBI Listing Regulations is appended as **Annexure IV** to this Report.

13. ANNUAL SECRETARIAL COMPLIANCE REPORT :

The Company had undertaken an audit for the Financial Year 2018-2019 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereafter.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

14. DETAILS OF DEMAT SUSPENSE ACCOUNT AS OF MARCH 31, 2019:

| Sr. No. | Particulars | No. of shareholders | No. of shares |
|---------|--|---------------------|---------------|
| 1. | Aggregate no. of shareholders and the outstanding shares in the aforesaid suspense account lying at the beginning of the year i.e. April 1, 2018 | 20 | 270 |
| 2. | No. of shareholders who approached for transfer of shares from the said account during the year 2018-2019 | Nil | Nil |
| 3. | No. of shareholders to whom the shares were transferred from the said account during the year 2018-2019 | Nil | Nil |
| 4. | Aggregate no. of shareholders and the outstanding shares in the aforesaid suspense account lying at the end of the year i.e. March 31, 2019 | 20 | 270 |

The voting rights on the outstanding unclaimed shares as on March 31, 2019 shall remain frozen as long as the shares remain in the Suspense Account 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.

15. 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. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint.

16. NSE ELECTRONIC APPLICATION PROCESSING SYSTEM (NEAPS) :

The NEAPS is a web based application designed by National Stock Exchange of India for corporates. All periodical compliances like shareholding pattern, corporate governance report, and other disclosures are filed electronically on NEAPS.

17. BSE CORPORATE COMPLIANCE AND LISTING CENTRE (LISTING CENTRE) :

The Listing Centre of BSE is a web based application designed by National Stock Exchange of India for corporates. All periodical compliances like shareholding pattern, corporate governance report, and other disclosures are filed electronically on the Listing Centre.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Hubtown Limited
Plaza Panchsheel,
'A' Wing, 5th Floor, Hughes Road,
Behind Dharam Palace,
Grant Road (W), Mumbai- 400007

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hubtown Limited having CIN L45200MH1989PLC050688 and having registered office at Plaza Panchsheel, 'A' Wing, 5th Floor, Hughes Road, Behind Dharam Palace, Grant Road (W), Mumbai- 400007 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

| Sr.No | Name of Director | DIN |
|-------|--|----------|
| 1 | Mr. Hemant Mahipatray Shah Executive Chairman | 00009659 |
| 2 | Mr. Vyomesh Mahipatray Shah Managing Director | 00009596 |
| 3 | Mr. Abhijit Datta Independent Director | 00790029 |
| 4 | Mr. Sunil Chandrakant Shah Independent Director | 06947244 |
| 5 | Mrs. Priti Kamlesh Shah Non-Executive Director | 01880436 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Ashish Bhatt & Associates**

Ashish Bhatt

Practicing Company Secretary

FCS No: 4650

C.P. No. 2956

Place: Thane

Date: August 14, 2019

CORPORATE GOVERNANCE REPORT (CONTD.)

ANNEXURE - II

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, 2019.

For Hubtown Limited

Vyomesh M. Shah
Managing Director
DIN : 00009596

Mumbai, August 14, 2019

ANNEXURE - III

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, 2019 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, 2019 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 that :
 - (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

Mumbai, May 28, 2019

Nancy Pereira
Chief Financial Officer

CORPORATE GOVERNANCE REPORT (CONTD.)

ANNEXURE - IV

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 2019, as stipulated in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 and Paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 **except Regulation 25(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

Place: Thane
Date: August 14, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HUBTOWN LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Hubtown Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our **qualified opinion** on the standalone financial statements.

- a) As stated in Footnote (a) to Note 28 to the standalone financial statement of the Company for the year, with regards the Company not having provided for Interest amounting to ₹ 21,713.04 lakhs on certain Inter-corporate deposits. Consequent to above, finance cost for the year ended 31st March, 2019 has been understated by ₹ 21,713.04 lakhs resulting in a consequential decrease in the losses for the year ended 31st March, 2019 to that extent.
- b) As stated in Footnote(c) to Note 23 to the standalone financial statement of the Company for the year ended 31st March, 2019 with regards the company not having recognized finance Income from Deep Discount bond held in one of its Joint Venture entities. Consequently, Finance Income for the year ended 31st March, 2019 is understated by ₹ 22,025.05 lakhs. Further losses for the year ended 31st March, 2019 are overstated to that extent.

Emphasis of Matters

We draw Attention to:

- a) Note 2 (II) (b) (ii) of the standalone financial statements, regarding to recognition of expense for ongoing projects which, based upon estimated costs, is as per the judgment of the management and have been relied upon by us, these being technical matters.
- b) Footnote (a) to note 13 to the standalone financial statement, regarding the status of the projects and the opinion framed by the Company's management regarding realizable value of the costs incurred which, being a technical matter is relied upon by us.
- c) Note 36 (i) (B) of the standalone financial statement, regarding Corporate guarantees issued and securities provided aggregating ₹ 1,23,519.07 lakhs by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the losses 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.
- d) Footnote (c) to Note 36 of the standalone financial statements regarding the above corporate guarantees issued and securities provided are disclosed at amounts outstanding as at 31st March, 2019. The financial liabilities on account of such financial guarantee contracts have not been measured at fair value as management is of the opinion that there is no material benefit which is expected to accrue to the borrowers on behalf of whom the company has provided the corporate guarantees.
- e) Footnote (b) to note 36 of the standalone financial statement, regarding reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities of the Company.
- f) Note 42 of the standalone financial statement, regarding balances that are subject to confirmations, reconciliation and adjustments, if any.
- g) Footnote (b) to note 9 of the standalone financial statement, regarding the Company not having charged interest on advances given by it to various group entities developing real estate projects, in which the Company has a commercial and business interest.
- h) Footnote (a) to note 19 of the standalone financial statement, regarding the Company's default in redemption of non-convertible debentures along with interest amounting to ₹ 2,086.04 lakhs. We are however informed by the management that the company is in the process of negotiation for settlement / redemption of the said debentures.
- i) Footnote to note 17 of standalone financial statement, regarding the company has not created investments to the extent of 15% of the value of the such 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.
- j) Footnote (i) to note 6 of the standalone financial statement, regarding the Company's investments in certain subsidiaries, jointly controlled entities and associates as at 31st March, 2019 which have incurred losses and carry an eroded net worth as at 31st March, 2019.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How the matter was addressed in our audit. |
|---|--|
| <p>I. Revenue Recognition</p> <p>Refer note 2(III) to standalone financial statements</p> <p>Revenues from sale of residential units represent the largest portion of the total revenues of the Company. Revenue is recognized upon transfer of control of residential units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The point of revenue recognition is normally on handover of the unit to the customer on completion of the project, post which the contract becomes non-cancellable by the parties. The Company records revenue at a point in time upon transfer of control of residential units to the customers.</p> <p>Due to the large volume of the Company's projects, there is a risk that revenue could be overstated or understated. Since revenue recognition has direct impact on the Company's profitability, this matter has been identified as Key Audit Matter for the current year audit.</p> | <p>I. Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluating that the company's revenue recognition accounting policies are in line with the applicable accounting standards and their application to customer contracts including consistent application; • Identify and test operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters and controls over collection from customers; • For samples selected, verifying underlying documents like handover letter, sale agreement signed by the customer and the collections; • Cut off procedure for determination of revenue in the appropriate reporting period; • Conducting site visit during the year for selected projects to understand the scope, nature and status of the projects and to assess the progress of the projects; and • Considering the adequacy of disclosure in note to the standalone financial statements in respect of the judgments taken in recognizing revenue. |
| <p>II. Investment in Subsidiaries, Joint ventures and Associates</p> <p>The carrying amount of the investments in subsidiaries, Joint Ventures and Associates held at cost less impairment, if any represents a significant portion of the Company's total assets.</p> <p>The Company has investments in subsidiaries, Joint Ventures and Associates. These investments are carried at cost less any diminution in value of such investments. The investments are reviewed for impairment at each reporting date by comparing the carrying value of investments in the Company's books with the net assets of the relevant subsidiaries, joint venture's and associates balance sheet. Further, the Company's review includes assessment of the projected cash flows of the real estate projects in these underlying entities, which involve significant estimates and judgment, due to the inherent uncertainty involved in forecasting future cash flows. In addition, considering the materiality of the investments in subsidiaries, joint venture and associates vis-à-vis the total assets of the Company, this is considered to be significant to our overall audit.</p> | <p>II. Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Comparing the carrying amount of Investments in the Company's books with the respective subsidiaries, Joint Ventures and Associates audited / unaudited financial statements to identify whether their net assets (being an approximation of their minimum recoverable amount) were in excess of their carrying value. • Assess historic profitability of the subsidiaries, joint Venture and associate companies • For the Investments where the carrying amount exceeded the Company's share of net assets value, enquired status of projects. Further the carrying amount of investments was compared by projected cash flows and profitability of the project in that respective subsidiaries, joint Venture and associate companies • Verified adequacy of disclosures in respect of the Investments in subsidiaries, joint venture and associates |

Other Matter

Attention is further invited to the Statement of Profit and Loss of the Company which includes share of profit from investments in partnership firms / joint ventures aggregating to ₹ 0.45 lakhs that are based on the financial statements of the firms/joint ventures as prepared by the management and presented to us on which we have relied.

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

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of the management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit and loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with other accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, based on our audit 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;

HUBTOWN

- 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 Standalone Financial Statements dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;
- 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, (as amended) in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations 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.

For **M H DALAL & ASSOCIATES**
Firm Registration No.: 112449W
Chartered Accountants

DEVANG DALAL
Partner
Membership No.:109049

Place: Mumbai
Date: May 28, 2019

INDEPENDENT AUDITORS' REPORT (CONTD.)

ANNEXURE "A" REFERRED TO IN OUR REPORT TO THE MEMBERS OF HUBTOWN LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019;

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 three companies covered under the register maintained under Section 189 of the Act;
 - (a) The terms and condition of the loan are prima facie not prejudicial to the interest of the Company, and
 - (b) The schedule of repayment of principal and interest has been stipulated as per terms of the arrangement;
 - (c) As per the terms and conditions of the arrangement, the amount of the loan is not overdue;
- (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 to 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, Goods and Service 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 including Interest as at the Balance Sheet date, for a period exceeding six months from the date they became payable are ₹ 184.05 lakhs relating to Income Tax Deducted at Source, ₹ 484.29 lakhs relating to Value Added Tax, ₹ 644.88 lakhs relating to Service Tax and ₹ 2.74 lakhs relating to Goods and 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 Service Tax 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 |
|--|----------------|---------------------|---|
| Income Tax Act, 1961 | | | |
| 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 | 2006-07 | 734.45 | Income Tax Appellate Tribunal |
| Income Tax | 2011-12 | 582.33 | Income Tax Appellate Tribunal |
| Income Tax | 2012-13 | 1,132.77 | Income Tax Appellate Tribunal |
| Income Tax | 2013-14 | 628.81 | Income Tax Appellate Tribunal |
| Maharashtra Value Added Tax Act, 2002 | | | |
| Maharashtra Value Added Tax | 2006-07 | 1.64 | Joint Commissioner of Sales Tax (Appeals) |
| Service Tax (Finance Act, 1994) | | | |

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| Statute and nature of dues | Financial Year | Amount (₹ in lakhs) | Forum where dispute is pending |
|----------------------------|----------------|---------------------|---------------------------------------|
| Service Tax | 2011-12 | 481.60 | Commissioner of Service Tax |
| Service Tax | 2012-13 | 451.00 | Commissioner of Service Tax |
| Service Tax | 2013-14 | 520.83 | Commissioner of Service Tax |
| Service Tax | 2014-15 | 727.52 | Commissioner of Service Tax (Appeals) |

- (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 18 – Non-Current Borrowings, with regards to banks, footnote "f" to Note 18 – Current Borrowings, with regards to financial institution and footnote "b" to Note 19 with regards to debentures, for the amounts and period of delays in payment of principle and interest thereon;
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (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.
- (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 section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provision 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 45 IA 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 **M H DALAL & ASSOCIATES**
Firm Registration No.: 112449W
Chartered Accountants

DEVANG DALAL
Partner
Membership No.:109049

Place: Mumbai
Date: May 28, 2019

INDEPENDENT AUDITORS' REPORT (CONTD.)

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

Independent Auditors 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, 2019 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 control 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 control based on the assessed risks. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 control 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 control 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 control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

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, 2019, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M H DALAL & ASSOCIATES**
Firm Registration No.: 112449W
Chartered Accountants

DEVANG DALAL
Partner
Membership No.:109049

Place: Mumbai
Date: May 28, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

| Particulars | Note No. | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|----------|---|---|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, plant and equipment | 3 | 1,760.43 | 1,017.25 |
| (b) Capital work-in-progress | 3 | - | - |
| (c) Investment properties | 4 | 3,898.91 | 4,006.94 |
| (d) Intangible assets | 5 | - | - |
| (e) Financial assets | | | |
| (i) Investments | 6 | 164,375.57 | 175,685.48 |
| (ii) Trade receivables | 7 | - | - |
| (iii) Loans | 8 | 519.01 | 458.00 |
| (iv) Other financial assets | 9 | 202.16 | 341.69 |
| (f) Current tax assets (Net) | 10 | 748.03 | 2,642.80 |
| (g) Deferred tax assets (Net) | 11 | 4,140.20 | 4,386.86 |
| (h) Other non-current assets | 12 | 2,385.91 | 4,092.89 |
| Total Non-Current Assets | | 178,030.22 | 192,631.91 |
| Current Assets | | | |
| (a) Inventories | 13 | 103,007.80 | 94,765.95 |
| (b) Financial assets | | | |
| (i) Investments | 6 | 2,477.50 | 153.47 |
| (ii) Trade receivables | 7 | 31,906.97 | 35,055.70 |
| (iii) Cash and cash equivalents | 14 | 1,945.28 | 1,414.17 |
| (iv) Bank balances other than (iii) above | 15 | 532.14 | 140.31 |
| (v) Loans | 8 | 9,739.05 | 7,382.32 |
| (vi) Other financial assets | 9 | 82,059.53 | 83,572.10 |
| (c) Other current assets | 12 | 12,023.56 | 2,357.82 |
| Total Current Assets | | 243,691.83 | 224,841.84 |
| TOTAL ASSETS | | 421,722.05 | 417,473.75 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 16 | 7,273.59 | 7,273.59 |
| (b) Other equity | 17 | 166,156.85 | 168,214.17 |
| Total Equity | | 173,430.44 | 175,487.76 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 5,504.61 | 6,547.45 |
| (ii) Other financial liabilities | 19 | 5,076.77 | 7,571.58 |
| (b) Provisions | 20 | 218.00 | 208.94 |
| Total Non-Current Liabilities | | 10,799.38 | 14,327.97 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 25,327.10 | 26,777.44 |
| (ii) Trade payables | 21 | 11,946.32 | 10,389.45 |
| (iii) Other financial liabilities | 19 | 98,007.77 | 93,856.68 |
| (b) Other current liabilities | 22 | 101,866.06 | 96,344.14 |
| (c) Provisions | 20 | 344.98 | 290.31 |
| Total Current Liabilities | | 237,492.23 | 227,657.02 |
| Total Liabilities | | 248,291.61 | 241,984.99 |
| TOTAL EQUITY AND LIABILITIES | | 421,722.05 | 417,473.75 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL

PARTNER

Membership No. 109049

Mumbai

Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai

Date: May 28, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

| Particulars | Note No. | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---|----------|--|--|
| I INCOME | | | |
| Revenue from Operations | 23 | 41,404.50 | 34,186.57 |
| Other Income | 24 | 7,312.67 | 26,009.39 |
| Share of Profit / (Loss) of Joint Ventures and Partnership Firms (Net) | | 311.70 | 325.47 |
| TOTAL INCOME | | 49,028.87 | 60,521.43 |
| II EXPENSES | | | |
| Costs Of Construction / Development | 25 | 13,315.06 | 8,726.44 |
| Purchase of Stock-in-Trade | | 454.31 | 452.40 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 26 | 15,942.89 | (3,730.98) |
| Employee Benefits Expense | 27 | 1,375.61 | 1,498.86 |
| Finance Costs | 28 | 11,462.74 | 31,276.99 |
| Depreciation and Amortisation Expenses | 29 | 274.26 | 274.26 |
| Other Expenses | 30 | 5,908.29 | 19,581.22 |
| TOTAL EXPENSES | | 48,733.16 | 58,079.19 |
| Profit before Tax | | 295.71 | 2,442.24 |
| Tax Expense | | | |
| (a) Current Tax | | - | (450.37) |
| (b) Deferred tax (charge) / credit | | (953.61) | 813.87 |
| (c) Excess / (Short) provision for taxation in respect of earlier years | | (51.54) | (151.85) |
| | | (1,005.15) | 211.65 |
| Profit/(Loss) for the Year | | (709.44) | 2,653.89 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of the net defined benefit liability / asset | | 31.15 | 11.74 |
| Total Other Comprehensive Income | | 31.15 | 11.74 |
| Total Comprehensive Income/(Loss) for the year | | (678.29) | 2,665.63 |
| Earning per equity share of nominal value of ₹ 10/- each (in Rupees) | 31 | | |
| Basic and Diluted | | (0.98) | 3.65 |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049
Mumbai
Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai
Date: May 28, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

| Particulars | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|--|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit before taxation as per Statement of Profit and Loss | 295.71 | 2,442.24 |
| Adjustments for: | | |
| Finance costs | 11,462.74 | 31,276.99 |
| Share of (Profit) / Loss from investment in partnership firms and JVs | (311.70) | (325.47) |
| Profit on sale of investments in associates, JVs, etc. developing real estate projects (Net) | (236.73) | - |
| Reversal of Profit on sale of investments in associates, JVs, etc. developing real estate projects (Net) | - | 142.31 |
| Depreciation and amortisation | 274.26 | 274.26 |
| Project expenses written off / amortised | 107.63 | - |
| Unwinding of Interest free loans | (36.79) | (32.35) |
| Unwinding of security deposits | (44.57) | (140.44) |
| Interest income on financial assets at amortised cost | (307.71) | (253.61) |
| Advances and other debit balances written off | 704.52 | 7,086.81 |
| (Profit) / Loss on sale of fixed assets (Net) | (0.42) | (1,131.25) |
| Provision for doubtful debts written back | (9.15) | - |
| Provision for doubtful debts written off | 9.15 | - |
| Interest income | (1,088.09) | (1,670.24) |
| Remeasurement of the net defined benefit liability / asset | 31.15 | 11.74 |
| Bad Debts | 80.94 | 19.88 |
| Provision for doubtful debts and advances and investments | - | 76.20 |
| Gain on Fair Valuation of Investments in Mutual Funds | (1.03) | (3.47) |
| Income on account of OTS | (2,870.63) | (14,714.04) |
| Interest write back | (751.28) | (6,971.31) |
| Interest waiver | - | (313.63) |
| Investment write off | 10.00 | 776.60 |
| Interest expenses on financial liabilities measured at fair value | 2,149.81 | 939.79 |
| Interest income on financial liabilities measured at fair value | (2,455.75) | (1,224.63) |
| Provision for diminution / Receivable written back | (10.00) | (1.60) |
| Loss on Sale of Investment | 1,341.00 | - |
| Loss on foreign currency fluctuation (Net) | 1.44 | - |
| Cancellation of Compensation for rights in Project | - | 8,453.86 |
| Prospective projects written off | 107.63 | - |
| Sundry credit balances appropriated | (36.67) | (56.25) |
| | 8,119.75 | 22,219.15 |
| Operating profit before working capital changes | 8,415.46 | 24,661.39 |
| Add / (Less) : | | |
| (Increase) / Decrease in inventories | (8,457.11) | (3,737.59) |
| On account of adoption of Ind AS 115 (Refer note 41) | (1,379.03) | - |
| (Increase) / Decrease in trade and other receivables | (4,309.97) | (11,961.66) |
| Increase / (Decrease) in trade and other payables | 12,085.63 | 26,875.72 |
| Cash generated from operations | 6,354.98 | 35,837.86 |
| Less: Direct taxes paid | 1,843.22 | (558.02) |
| Net cash flow from operating activities | 8,198.20 | 35,279.84 |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| Particulars | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---|--|--|
| II. Cash flows arising from investing activities | | |
| Inflow / (Outflow) on account of : | | |
| Interest income received | 20.86 | 32.70 |
| (Increase) / Decrease in loans and advances | (1,345.37) | 947.81 |
| (Increase) / Decrease in deposits with maturity of more than three months | (391.82) | (1.02) |
| Sale/(Purchase) of fixed assets, including capital work -in- progress (net) | (362.57) | 1,183.60 |
| Increase/ Decrease in of Long term investments | 7,646.92 | (113.04) |
| Net cash flow from investing activities | 5,568.02 | 2,050.05 |
| III. Cash flows arising from financing activities | | |
| Inflow / (Outflow) on account of : | | |
| Increase / (Decrease) in long term and short term borrowings | (2,777.51) | (8,490.35) |
| Finance Cost Paid | (10,598.48) | (27,801.41) |
| Net cash flow from financing activities | (13,375.99) | (36,291.76) |
| Net increase in cash and cash equivalents (I + II + III) | 390.23 | 1,038.13 |
| Add: Balance at the beginning of the year | 120.97 | (917.16) |
| Cash and cash equivalents at the end of the year | 511.20 | 120.97 |
| Components of cash and cash equivalents (Refer Note 14) | | |
| Cash and cash equivalents: | | |
| Cash on hand | 28.31 | 20.89 |
| Balances with banks | | |
| - On Current accounts | 1,870.40 | 1,365.73 |
| - Deposit with maturity of less than three months | 46.57 | 27.55 |
| Cash Credit facilities (Refer Note 18) | (1,434.08) | (1,293.20) |
| | 511.20 | 120.97 |

The accompanying notes are an integral part of the financial statements

Note:

The Cash Flow Statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS - 7 'Statement of Cash Flows)

As per our report of even date
For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049
Mumbai
Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai
Date: May 28, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

| | Note | (₹ in lakhs) |
|---------------------------------|------|-----------------|
| A. EQUITY SHARE CAPITAL | | |
| As at 1st April, 2017 | 16 | 7,273.59 |
| Changes in equity share capital | | - |
| As at 31st March, 2018 | | 7,273.59 |
| Changes in equity share capital | | - |
| As at 31st March, 2019 | | 7,273.59 |

B. OTHER EQUITY

| | Reserves and Surplus | | | | (₹ in lakhs) |
|---|-------------------------------|------------------------------------|------------------|----------------------|-------------------|
| | Securities Premium Reserve | Debenture Redemption Reserve | General Reserve | Retained Earnings | Total |
| Balance at 1st April, 2017 | 60,716.12 | 4,659.15 | 28,335.85 | 71,837.42 | 165,548.54 |
| Profit / (Loss) for the year | - | - | - | 2,653.89 | 2,653.89 |
| Items of Other Comprehensive Income: | - | - | - | 11.74 | 11.74 |
| Remeasurement of net defined benefit | | | | | |
| Transfer (to)/from General Reserve | - | (2,459.15) | 2,459.15 | - | - |
| Balance at 31st March, 2018 | 60,716.12 | 2,200.00 | 30,795.00 | 74,503.05 | 168,214.17 |
| Balance at 1st April, 2018 | 60,716.12 | 2,200.00 | 30,795.00 | 74,503.05 | 168,214.17 |
| On account of adoption of Ind AS 115 (Refer Note 41) | - | - | - | (1,379.03) | (1,379.03) |
| Profit / (Loss) for the year | - | - | - | (709.44) | (709.44) |
| Items of Other Comprehensive Income: | - | - | - | 31.15 | 31.15 |
| Remeasurement of net defined benefit | | | | | |
| Transfer (to)/from General Reserve | - | - | - | - | - |
| Balance at 31st March, 2019 | 60,716.12 | 2,200.00 | 30,795.00 | 72,445.73 | 166,156.85 |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049

Mumbai
Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai
Date: May 28, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 1. Statement of Significant Accounting Policies.

1.1 Company Overview

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.

1.2 The financial statements are approved for issue by the Company's Board of Directors in the board meeting held on 28th May, 2019.

Note 2. Significant Accounting Policies followed by the Company

I. Basis of preparation of Financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value.

(iii) Current non-current classification

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 set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, (if any)) within the credit period normally applicable to the respective project.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

II. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The Company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the Company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '2': (Contd.)

i) Employee Benefit Plans

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

ii Estimation of net realisable value for inventory (including advance to land owner)

Inventory are stated at the lower of cost and net realisable value (NRV).

NRV for completed property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory under construction / incomplete projects is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to advances given to land owners, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iii) Valuation of investment in/ loans to subsidiaries

The Company has performed valuation for its investments in equity of subsidiaries, associates and JV's for assessing whether there is any impairment. When the fair value of investments in such entities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model.

Similar assessment is carried out for exposure of the nature of loans and interest receivable thereon as well as project advances. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported amounts of these investments, loans and advances.

iv) Income tax provisions are based on the company's judgment of allowances/disallowances considering computation of income.

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:

Effective 1 April 2018, the Company has adopted Ind As 115 'Revenue from Contract with Customer' (replaced Ind AS 18 - Revenue and Ind AS 11 Construction Contracts and Guidance Notes) using the modified retrospective method, with the effect of initially applying this standard recognized in opening retained earnings on the date of initial application i.e., 1 April 2018. Accordingly, the information presented for the year ended 31 March 2018 is not restated, i.e., it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

Revenue is recognized upon transfer of control of residential/commercial units to customers, in an amount that reflects the consideration the Company expects to receive in exchange for those residential/commercial units. The Company shall determine the performance obligations associated with the contract with customers at contract inception and also determine whether they satisfy the performance obligation over time or at a point in time. In case of residential/commercial units, the Company satisfies the performance obligation and recognises revenue at a point in time i.e., upon handover of the residential/commercial units.

To estimate the transaction price in a contract, the Company adjusts the promised amount of consideration for the time value of money if that contract contains a significant financing component. The Company when adjusting the promised amount of consideration for a significant financing component is to recognise revenue at an amount that reflects the cash selling price of the transferred residential/commercial unit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '2': (Contd.)

B. Revenue from sale of land and development rights:

Revenue from sale of land and development rights is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue from sale of land and development rights is only recognised when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

C. Revenue from Trading Materials:

Revenue from sale of trading material is recognised when significant risks and rewards associated with the sale of material is transferred to the buyer.

D. Revenue from project management services:

Service income is recognised on the basis of completion of a physical proportion of the contract work/ based upon the contracts/ agreements entered into by the Company with its customers.

E. Profit / loss from partnership firms / association of persons:

Share of profit / loss from partnership firms / association of persons (AOP) is recognised on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

F. Income from leased premises:

Lease income from operating lease is recognised in the Statement of Profit and Loss on straight line basis after adjusting for escalation over the lease term except where the lease incomes are structured to increase in line with expected general inflation.

G. Interest and dividend:

Interest income including income arising on other instruments recognised on time proportion basis using the effective interest rate method.

Dividend income is recognized when the right to receive dividend is established.

H. Others:

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

IV. Property plant and equipment, investment property and depreciation / amortisation

- On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its Property, Plant and Equipment and Investment property and use that carrying value as the deemed cost on the date of transition i.e. 1st April, 2015.
- Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.
- 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.

| Asset Category | Estimated useful life (in Years) |
|--------------------------------------|----------------------------------|
| Plant and Machinery (Mivan System) | 3 to 5 |
| Computer servers and network systems | 6 |
| Computer desktops and laptops | 3 |
| Office Equipment | 5 |
| Vehicles | 8 |
| Furniture and Fixture | 10 |
| Completed Investment Properties | 60 |
| Leasehold Land | Over the Primary Lease period |
| Commercial Premises | 60 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '2': (Contd.)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

- E. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation.

V. Intangible assets and amortisation

Acquired 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. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Investments and Financial Assets

i. Initial recognition

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '2': (Contd.)

ii. Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

VII De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is de-recognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VIII. Impairment

a. Financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depend on whether their has been a significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '2': (Contd.)

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

IX. Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized 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.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '2': (Contd.)

X. 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 Assets' 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 Assets' as 'Investment properties' and provision for depreciation / amortisation is made to comply with the requirements of Indian Accounting Standard (Ind AS) 17 - 'Leases' and Indian Accounting Standard (Ind AS) 40 - 'Investment Property'.
- 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.
- E. Finished properties Valued at lower of cost or net realizable value.

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.

XI. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

XII. Trade receivable

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

XIII. Employee benefits

a) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Company provides for gratuity which is a defined benefit plan the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods.

The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c) Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term Benefits

Short-term employee benefits such as salaries, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '2': (Contd.)

XIV. Borrowings and Borrowing costs

Borrowings are initially recognised at net of transaction cost incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are charged to the Profit and Loss Account.

XV. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XVI. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

XVII. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XVIII. 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.

XIX. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

XX. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '2': (Contd.)

XXI. Interest in Joint Arrangements

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. The Company classifies its Joint Arrangements as Joint Ventures.

The company recognizes its interest in Joint Venture as an investment and accounts for that investment using the Equity method in accordance with Ind AS 28.

XXII. RECENT ACCOUNTING PRONUCEMENTS

Ind AS 116

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 116 is expected to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '3'

Property, plant and equipment and Capital Work-in-Progress

(₹ in lakhs)

| | Leasehold land | Commercial Premises | Mivan System | Computers and Laptops | Furniture and Fixtures | Vehicles | Office Equipment | Total | Capital Work-in-Progress |
|--|----------------|---------------------|--------------|-----------------------|------------------------|---------------|------------------|-----------------|--------------------------|
| Gross Carrying Value (At Deemed Cost) | | | | | | | | | |
| Balance at 1st April, 2017 | 37.29 | 837.35 | 366.39 | 19.07 | 460.61 | 953.32 | 99.92 | 2,773.95 | - |
| Additions | - | - | - | - | 11.28 | 0.58 | 4.95 | 16.81 | - |
| Disposals/Discardment of Assets | - | - | - | - | (35.57) | (26.31) | - | (61.88) | - |
| Balance at 31st March, 2018 | 37.29 | 837.35 | 366.39 | 19.07 | 436.32 | 927.59 | 104.87 | 2,728.88 | - |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance at 1st April, 2017 | 19.84 | 177.96 | 348.07 | 18.17 | 313.20 | 669.47 | 95.28 | 1,641.99 | - |
| Eliminated on disposal/discardment of assets | - | - | - | - | (35.57) | (24.53) | - | (60.10) | - |
| Depreciation Charges | 1.24 | 13.35 | - | 0.75 | 33.34 | 78.08 | 2.98 | 129.74 | - |
| Balance at 31st March, 2018 | 21.08 | 191.31 | 348.07 | 18.92 | 310.97 | 723.02 | 98.26 | 1,711.63 | - |
| Net Carrying value as on 31st March, 2018 | 16.21 | 646.04 | 18.32 | 0.15 | 125.35 | 204.57 | 6.61 | 1,017.25 | - |
| Gross Carrying Value (At Deemed Cost) | | | | | | | | | |
| Balance at 1st April, 2018 | 37.29 | 837.35 | 366.39 | 19.07 | 436.32 | 927.59 | 104.87 | 2,728.88 | - |
| Additions | - | 900.00* | - | 0.46 | 3.96 | 2.42 | 2.69 | 909.53 | - |
| Disposals/Discardment/Sale of Assets | - | - | - | - | - | (18.78) | - | (18.78) | - |
| Transfer to Investment Property | - | (68.53) | - | - | - | - | - | (68.53) | - |
| Balance at 31st March, 2019 | 37.29 | 1,668.82 | 366.39 | 19.53 | 440.28 | 911.23 | 107.56 | 3,551.10 | - |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance at 1st April, 2018 | 21.08 | 191.31 | 348.07 | 18.92 | 310.97 | 723.02 | 98.26 | 1,711.63 | - |
| Eliminated on disposal/discardment of assets | - | - | - | - | - | (18.66) | - | (18.66) | - |
| Depreciation Charges | 1.23 | 23.45 | - | 0.22 | 34.66 | 67.14 | 2.51 | 129.21 | - |
| Transfer to Investment Property | - | (31.51) | - | - | - | - | - | (31.51) | - |
| Balance at 31st March, 2019 | 22.31 | 183.25 | 348.07 | 19.14 | 345.63 | 771.50 | 100.77 | 1,790.67 | - |
| Net Carrying value as on 31st March, 2019 | 14.98 | 1,485.57 | 18.32 | 0.39 | 94.65 | 139.73 | 6.79 | 1,760.43 | - |

Footnotes :

Commercial premises includes cost of shares aggregating to ₹ 0.01 lakhs (March 31, 2018: ₹ 0.04 lakhs) carrying the occupancy rights in the commercial premises.

* During the year Company has acquired 50% undivided shares, rights, title in a commercial premises, as part of slump sale arrangement.

3.1 Assets pledged as security

Leasehold Land and Commercial property and vehicles with a carrying amount of ₹ 141.43 lakhs (As at 31st March, 2018: ₹ 167.47 lakhs) have been pledged to secure the borrowings of the Company.

3.2 Contractual obligations

Capital expenditure contracted for at the end of the reporting period (net of advances), but not recognised as liabilities is ₹ Nil (as at 31st March, 2018: ₹ Nil).

3.3 Leased Assets

None of the properties includes amounts where the company is a lessee under a finance lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '4'

Investment property

(₹ in lakhs)

Completed investment properties

Gross Carrying Value (At Deemed Cost)

| | |
|----------------------------|----------|
| Balance at 1st April, 2017 | 5,336.58 |
| Additions | - |
| Disposals | (103.86) |

Balance at 31st March, 2018

5,232.72

Accumulated depreciation and impairment

| | |
|----------------------------------|----------|
| Balance at 1st April, 2017 | 1,117.75 |
| Depreciation charges | 144.52 |
| Eliminated on disposal of assets | (36.49) |

Balance at 31st March, 2018

1,225.78

Net Carrying amount as on 31st March, 2018

4,006.94

Gross Carrying Value (At Deemed Cost)

| | |
|----------------------------|-----------------|
| Balance at 1st April, 2018 | 5,232.72 |
| Transfer from Fixed Assets | 68.53 |

Additions

-

Disposals

-

Balance at 31st March, 2019

5,301.25

Accumulated depreciation and impairment

| | |
|----------------------------|----------|
| Balance at 1st April, 2018 | 1,225.78 |
| Transfer from Fixed Assets | 31.51 |
| Depreciation charges | 145.05 |

Balance at 31st March, 2019

1,402.34

Net Carrying amount as on 31st March, 2019

3,898.91

Footnote:

Investment Property includes cost of shares aggregating to ₹ 0.03 lakhs (March 31, 2018: Nil) carrying the occupancy rights.

4.1 Amounts recognised in Statement of Profit and Loss for investment properties

| | 31st March, 2019 | 31st March, 2018 |
|--|------------------|------------------|
| Rental Income | 602.50 | 881.77 |
| Direct operating expenses from property | - | - |
| Profit from Investment properties before depreciation | 602.50 | 881.77 |
| Depreciation | 145.05 | 144.52 |
| Profit from Investment properties | 457.45 | 737.25 |
| Rental Income from others | 369.51 | 243.54 |

4.2 Leasing Arrangements

Certain investment properties are leased to tenants.

Minimum lease payments receivable are as follows.

Within one year

Later than one year but not later than five years

Later than five years

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| Within one year | 317.55 | 304.13 |
| Later than one year but not later than five years | 448.35 | 543.34 |
| Later than five years | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '4' : (Contd.)

4.3 Investment properties pledged as security

Leasehold Land and Commercial properties with a carrying amount of ₹ 3,888.67 lakhs (As at 31st March, 2018: ₹ 3,996.54 lakhs) have been pledged to secure the borrowings of the Company.

4.4 Fair Valuation of Investment Properties

| Property Name | Fair Value (₹ in Lakhs) | Basis |
|--------------------|----------------------------|--------------------------------|
| Mahalaxmi car park | 22,610.00 | Independent Valuers Report |
| Others | 3,353.46 | Stamp Duty Ready Reckoner Rate |

The fair value of Mahalaxmi car park is based on independent valuers report dated March 18. In the opinion of management there is no significant change in valuation as on reporting date. The Company has not determined the fair value of the other properties from any independent valuer as at 31st March, 2019 instead the values disclosed above are based on ready reckoner rate of the said properties for the year ended 31st March, 2019 duly published by the Government of Maharashtra.

Note '5'

Intangible assets

(₹ in lakhs)

| | Computer software |
|--|--------------------------|
| Gross Carrying Value (At Deemed Cost) | |
| Balance at 1st April, 2017 | 519.16 |
| Additions | - |
| Disposals | - |
| Balance at 31st March, 2018 | 519.16 |
| Accumulated depreciation and impairment | |
| Balance at 1st April, 2017 | 519.16 |
| Eliminated on disposal of assets | - |
| Depreciation expense | - |
| Balance at 31st March, 2018 | 519.16 |
| Net carrying value as on 31st March, 2018 | - |
| Gross Carrying Value(At Deemed Cost) | |
| Balance at 1st April, 2018 | 519.16 |
| Additions | - |
| Disposals | - |
| Balance at 31st March, 2019 | 519.16 |
| Accumulated depreciation and impairment | |
| Balance at 1st April, 2018 | 519.16 |
| Eliminated on disposal of assets | - |
| Depreciation expense | - |
| Balance at 31st March, 2019 | 519.16 |
| Net carrying value as on 31st March, 2019 | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '6'

Investments

Non Current

A) Investment in equity instruments (Unquoted) (Carried at deemed cost)

I) Subsidiary Companies (Fully paid up equity shares)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| a) 50,000 (As at March 31, 2018: 50,000) Equity shares of ₹ 10/- each Diviniti Projects Private Limited | 5.00 | 5.00 |
| b) 50,000 (As at March 31, 2018: 50,000) Equity shares of ₹ 10/- each Vishal Techno Commerce Limited | 5.00 | 5.00 |
| c) NIL (As at March 31, 2018: 4,720) Equity shares of ₹ 100/-each Heet Builders Private Limited (Refer footnote a) | - | 652.82 |
| d) 50,000 (As at March 31, 2018: 50,000) Equity shares of ₹ 10/- each Devkrupa Build Tech Limited | 5.00 | 5.00 |
| e) 37,000 (As at March 31, 2018: 37,000) Equity shares of ₹ 10/- each Gujarat Akruiti - TCG Biotech Limited | 3.70 | 3.70 |
| f) 50,000 (As at March 31, 2018: 50,000) Equity shares of ₹ 10/-each Urvi Build Tech Limited | 5.00 | 5.00 |
| g) 36,215 (As at March 31, 2018: 36,215) (Class 'A') Equity shares of ₹ 10/- each Akruti Safeguard Systems Private Limited | 72.43 | 72.43 |
| h) 50,000 (As at March 31, 2018: 50,000) Equity shares of ₹ 10/- each Yantti Buildcon Private Limited | 5.00 | 5.00 |
| i) 9,000 (As at March 31, 2018: 9,000) Equity shares of ₹ 10/- each Upvan Lake Resorts Private Limited | 0.90 | 0.90 |
| j) 3,00,000 (As at March 31, 2018: 3,00,000) Equity shares of ₹ 100 each Vega Developers Private Limited | 300.00 | 300.00 |
| k) NIL (As at March 31, 2018: 50,000) Equity shares of ₹ 10/- each ABP Realty Advisors Private Limited (Refer footnote b) | - | 5.00 |
| l) 10,000 (As at March 31, 2018: 10,000) Equity shares of ₹ 10/- each Headland Farming Private Limited | 1.00 | 1.00 |
| m) 10,000 (As at March 31, 2018: 10,000) Equity shares of ₹ 10/- each Hedde Knowledge Private Limited | 1.00 | 1.00 |
| n) 50,000 (As at March 31, 2018: 50,000) Equity shares of ₹ 10/- each Citygold Education Research Limited | 5.00 | 5.00 |
| o) 10,000 (As at March 31, 2018: 10,000) Equity shares of ₹ 10/- each Citygold Farming Private Limited | 1.00 | 1.00 |
| p) NIL (As at March 31, 2018: 50,000) Equity shares of ₹ 10/- each India Development and Construction Venture Capital Private Limited (Refer footnote b) | - | 5.00 |
| q) 1,24,31,045 (As at March 31, 2018: 1,24,31,045) (Class 'A') Equity shares of ₹ 10/- each Joynest Premises Private Limited | 1,324.15 | 1,324.15 |
| r) 5,25,58,955 (As at March 31, 2018: 5,25,58,955) (Class 'C') Equity shares of ₹ 10/- each Joynest Premises Private Limited | 5,255.90 | 5,255.90 |
| s) 7,400 (As at March 31, 2018: 7,400) Equity Shares of ₹ 10/- each Joynest Premises Private Limited | 0.74 | 0.74 |
| t) 10,000 (As at March 31, 2018: 10,000) Equity shares of ₹ 10/- each Citywood Builders Private Limited | 1.00 | 1.00 |
| u) 50,000 (As at March 31, 2018: 50,000) Equity Shares of ₹ 10/- each Vama Housing Limited | 5.00 | 5.00 |
| v) 1,00,000 (As at March 31, 2018: 1,00,000) Equity Shares of ₹ 10/- each Halitious Developer Limited | 600.00 | 600.00 |
| w) 5,100 (As at March 31, 2018: NIL) Equity Shares of ₹ 10/- each Sanas Developers Private Limited (Refer Footnote c) | 0.51 | - |
| | 7,597.33 | 8,259.64 |
| | 0.90 | 10.90 |
| | 7,596.43 | 8,248.74 |

Less: Provision for diminution in the value of investments

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '6': Investments (Contd.)

Equity Contribution towards Loans and Advances

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| II) Joint Ventures | | |
| a) 50,000 (As at March 31, 2018: 50,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Mehsana) Private Limited | 5.00 | 5.00 |
| b) 1,00,000 (As at March 31, 2018: 1,00,000) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Mehsana) Private Limited | 629.00 | 629.00 |
| c) 50,000 (As at March 31, 2018: 50,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Vadodara) Private Limited | 5.00 | 5.00 |
| d) 1,15,275 (As at March 31, 2018: 1,15,275) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Vadodara) Private Limited | 592.29 | 592.29 |
| e) 50,000 (As at March 31, 2018: 50,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Adajan) Private Limited | 5.00 | 5.00 |
| f) 1,15,463 (As at March 31, 2018: 1,15,463) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Adajan) Private Limited | 1,057.49 | 1,057.49 |
| g) 10,000 (As at March 31, 2018: 10,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Ahmedabad) Private Limited | 1.00 | 1.00 |
| h) 15,000 (As at March 31, 2018: 15,000) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Ahmedabad) Private Limited | 2,132.00 | 2,132.00 |
| i) 22,859 (As at March 31, 2018: 22,859) Equity shares of ₹ 10/- each Twenty Five South Realty Limited | 29,208.14 | 29,208.14 |
| j) 28,37,270 (As at March 31, 2018: 28,37,270)(Class 'A') Equity shares of ₹ 10/- each Rare Townships Private Limited | 7,345.84 | 7,345.84 |
| k) 4,25,000 (As at March 31, 2018: 4,25,000) (Class 'B') Equity shares of ₹ 10/- each Rare Townships Private Limited | 100.00 | 100.00 |
| l) 25,000 (As at March 31, 2018: 25,000) Equity shares of ₹ 100/- each Joyous Housing Limited | 25.00 | 25.00 |
| m) 1,22,000 (As at March 31, 2018: 122,000) Equity shares of ₹ 10/- each Sunstream City Private Limited | 12.20 | 12.20 |
| | 41,117.96 | 41,117.96 |
| Equity contribution by way of Interest free loans given to Joyous Housing Limited | 568.20 | 568.20 |
| | 41,686.16 | 41,686.86 |
| III) Associate Companies | | |
| a) 25,000 (As at March 31, 2018: 25,000) Equity shares of ₹ 10/- each Whitebud Developers Limited | 2.50 | 2.50 |
| b) 5,000 (As at March 31, 2018: 5,000) Equity shares of ₹ 10/- each Shubhsiddhi Builders Private Limited | 0.50 | 0.50 |
| c) 6,095 (As at March 31, 2018: 6,095) (Class 'A') Equity shares of ₹ 10/- each Vinca Developer Private Limited | 0.61 | 0.61 |
| d) 7353 (As at March 31, 2018: 7353)(Class 'B') Equity Shares of ₹ 10/- each Giraffe Developers Private Limited | 5,004.79 | 5,004.79 |
| | 5,008.40 | 5,008.40 |
| Less: Provision for diminution in the value of investments | 0.61 | 0.61 |
| | 5,007.79 | 5,007.79 |
| IV) Others | | |
| a) 240 (As at March 31, 2018: 240)Equity shares of ₹ 100/- each Citygold Management Services Private Limited | 0.24 | 0.24 |
| b) 6,000 (As at March 31, 2018: 6,000)(Class 'B') Equity shares of ₹ 50/- each Hogmanay Niharika Buildings Limited | 3.00 | 3.00 |
| c) 37,815 (As at March 31, 2018: 37,815) Equity shares of ₹ 10/- each Janakalyan Sahakari Bank Limited | 3.78 | 3.78 |
| d) NIL(As at March 31, 2018: 1) Equity Share of ₹ 10/- each E Commerce Magnum Solutions Limited | - | 1.00 |
| | 7.02 | 8.02 |
| Total (I+II+III+IV) | 54,297.40 | 54,950.71 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '6': Investments (Contd.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| B) Investment in Preference Shares (Unquoted) | | |
| i. At deemed cost | | |
| a) 20,000 (As at March 31, 2018: 20,000) Cumulative convertible preference shares of ₹ 100/- each | | |
| Akruti Safeguard Systems Private Limited (Subsidiary) | 20.00 | 20.00 |
| b) 1,865 (As at March 31, 2018: 1,865) 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each | | |
| Twenty Five South Realty Private Limited (Joint Venture) | 0.19 | 0.19 |
| ii. Others | | |
| 10,000 (As at March 31, 2018: 6,671) 21% Non Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each | | |
| E Commerce Magnum Solutions Limited (Refer Footnote d) | 1.00 | 6,671.00 |
| | 21.19 | 6,691.19 |
| C) i. Investment in Debentures (At Amortised Cost) (Unquoted) | | |
| 7,68,919 (As at March 31, 2018: 7,68,919) Non - convertible debentures of ₹ 100/- each | | |
| Gujarat Akruti - TCG Biotech Limited (Subsidiary) | 1,429.05 | 1,223.93 |
| ii. Investment in Debentures (At Cost) (Unquoted) | | |
| 1,47,20,000 (As at March 31, 2018: 3,19,10,000) 9% Optionally convertible debentures of ₹ 10/- each | | |
| Asmeeta Infratech Limited (Refer Footnote e) | 1,472.00 | 3,191.00 |
| iii. Investment in Bonds (At Amortised Cost)(Quoted) | | |
| 39,13,310 (As at March 31, 2018: 39,13,310) Deep Discount Bonds, issued @ ₹ 2090/- of face value ₹ 10,000 [Tenure of 9 Year] (Refer footnote (c) to Note 23) | | |
| Sunstream City Private Limited (Joint venture) | 97,412.85 | 97,412.85 |
| iv. Investment in Debentures, classified as equity by the investee (At Cost) (Unquoted) | | |
| 11,95,299 (As at March 31, 2018: 11,95,299) Compulsorily Convertible Debentures of ₹ 100/- each | | |
| Gujarat Akruti - TCG Biotech Limited (Subsidiary) | 1,195.30 | 1,195.30 |
| | 101,509.20 | 103,023.08 |
| D) Capital Investment in Partnership Firms and Joint Ventures (Refer footnote f) | 977.78 | 3,450.50 |
| E) Non Controlling Capital Investment in Partnership Firms and Joint Ventures | 7,570.00 | 7,570.00 |
| Less: Provision for Diminution in the value of investments (Refer footnote h) | - | - |
| | 8,547.78 | 11,020.50 |
| Total Non Current Investments (A+B+C+D+E) | 164,375.57 | 175,685.48 |
| Aggregate amount of quoted investments | 97,412.85 | 97,412.85 |
| Aggregate amount of unquoted investments | 66,962.72 | 78,272.63 |
| Aggregate provision for diminution in value of investments: | 1.51 | 11.51 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '6' : Investments (Contd.)

A) Partnership firms

| Name of the Partners | Share in profits (%) | |
|--|----------------------|----------------|
| | 31 March, 2019 | 31 March, 2018 |
| i. M/s. Akruti Jay Developers (Refer footnote f) | | |
| Hubtown Limited | - | 66.66 |
| Hazel Erectors Private Limited | - | 33.34 |
| Total Capital of the firm (₹ in lakhs) | - | 2,491.50 |
| ii. M/s. Shreenath Realtors (Refer footnote g) | | |
| Hubtown Limited | 92.50 | 92.50 |
| Vakratunda Housing Private Limited | 7.50 | 7.50 |
| Total Capital of the firm (₹ in lakhs) | 2,120.54 | 2,120.54 |
| iii. M/s. Akruti Kailash Constructions (Refer footnote f) | | |
| Hubtown Limited | - | 90.00 |
| Ketan D. Shah | - | 10.00 |
| Total Capital of the firm (₹ in lakhs) | - | 0.58 |
| iv. M/s. Rising Glory Developers | | |
| Hubtown Limited | 25.00 | 20.00 |
| Ackruti Safeguard Systems Private Limited | - | 5.34 |
| Citygold Education Research Limited | 25.00 | 5.34 |
| Citygold Farming Private Limited | - | 5.34 |
| Diviniti Projects Private Limited | 25.00 | 5.34 |
| Halitious Developer Limited | - | 5.34 |
| Headland Farming Private Limited | - | 5.33 |
| Heddle Knowledge Private Limited | - | 5.33 |
| Heet Builders Private Limited | 25.00 | 5.33 |
| Subhsiddhi Builders Private Limited | - | 5.33 |
| Sunstream City Private Limited | - | 10.66 |
| Upvan Lake Resorts Private Limited | - | 5.33 |
| Vega Developers Private Limited | - | 5.33 |
| Whitebud Developers Limited | - | 5.33 |
| Yantti Buildcon Private Limited | - | 5.33 |
| Total Capital of the firm (₹ in lakhs) | 1.50 | 1.50 |

B) Joint Ventures

| Name of the Co-Venturers | Share in profits (%) | |
|--|----------------------|----------------|
| | 31 March, 2019 | 31 March, 2018 |
| i. M/s. Akruti Jay Chandan Joint Venture | | |
| Hubtown Limited | 50.00 | 50.00 |
| Chandan Shanti Group of Companies | 50.00 | 50.00 |
| Total Capital of the joint venture (₹ in lakhs) | 282.40 | 282.40 |
| ii. M/s. Akruti GM Joint Venture | | |
| Hubtown Limited | 50.00 | 50.00 |
| GM Construction | 50.00 | 50.00 |
| Total Capital of the joint venture (₹ in lakhs) | 910.00 | 910.00 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '6' : Investments (Contd.)

| Name of the Co-Venturers | Share in profits (%) | |
|---|--|--|
| | 31 March, 2019 | 31 March, 2018 |
| iii. M/s. Primeria Joint Venture(Formerly known as Akruti Forefront Joint Venture)(Refer Footnote h) | | |
| Hubtown Limited | 16.00 | 16.00 |
| Forefront Property Developers Private Limited | 84.00 | 84.00 |
| Total Capital of the joint venture (₹ in lakhs) | 10.00 | 10.00 |
| iv. M/s. Sunstone Developers Joint Venture | | |
| Hubtown Limited | 5.00 | 5.00 |
| Swapanranjan Infrastructure Private Limited | 95.00 | 95.00 |
| Total Capital of the joint venture (₹ in lakhs) | 5.00 | 5.00 |
| v. M/s. Celeste Joint Venture (Refer footnote f) | | |
| Fourjone Realtors Private Limited | - | 95.00 |
| Hubtown Limited | - | 5.00 |
| Total Capital of the joint venture (₹ in lakhs) | - | 100.00 |
| vi. M/s. Jairaj Developers - Unit 9 | | |
| Hubtown Limited | 19.00 | 19.00 |
| Shri. Jayant Hiralal Shah | 31.00 | 31.00 |
| Shri.Malav Jayant Shah | 31.00 | 31.00 |
| Giraffe Developers Private Limited | 19.00 | 19.00 |
| Total Capital of the joint venture (₹ in lakhs) | 100.00 | 100.00 |
| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
| Current | | |
| A) Investment in Mutual Funds (Quoted)(Other than Trade) | | |
| At Fair value through profit and loss | | |
| Indiabulls Liquid fund Direct Plan (Growth) | | |
| 246.52 units (As at March 31, 2018: 9036.95) | 4.50 | 153.47 |
| [NAV ₹ 1825.38 per unit (As at March 31, 2018: ₹ 1698.25 per unit)] | | |
| | 4.50 | 153.47 |
| B) Capital Investment in Partnership Firms (Trade, unless otherwise specified)(Unquoted)(Refer Footnote f) | 2,473.00 | - |
| | 2,473.00 | - |
| Total Current Investments (A+B) | 2,477.50 | 153.47 |
| Aggregate amount of quoted investments | 4.50 | 153.47 |
| Aggregate amount of unquoted investments | 2,473.00 | - |
| Aggregate provision for diminution in value of investments: | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '6': Investments (Contd.)

| Details of investments made in the capital of partnership firms and Joint Ventures: | | | |
|--|--|-----------------------|----------------|
| Name of the Partners | | 31 March, 2019 | 31 March, 2018 |
| i. M/s. Akruti Steelfab Corporation (under the process of dissolution) | | | |
| | Hubtown Limited | - | - |
| | Steelfab Turnkey Projects Limited | - | - |
| | Total Capital of the firm (₹ in lakhs) | - | - |
| ii. M/s. Akruti Jay Developers (Refer note footnote f) | | | |
| | Hubtown Limited | 66.66 | - |
| | Hazel Erectors Private Limited | 33.34 | - |
| | Total Capital of the firm (₹ in lakhs) | 2,491.50 | - |
| iii. M/s. Akruti Kailash Constructions (Refer note footnote f) | | | |
| | Hubtown Limited | 90.00 | - |
| | Ketan D. Shah | 10.00 | - |
| | Total Capital of the firm (₹ in lakhs) | 0.58 | - |
| iv M/s. Celeste Joint Venture (Refer note footnote f) | | | |
| | Fourjone Realtors Private Limited | 95.00 | - |
| | Hubtown Limited | 5.00 | - |
| | Total Capital of the joint venture (₹ in lakhs) | 100.00 | - |

Footnotes:

- During the year the Company sold its entire shareholding in Heet Builders Private Limited (Heet), consequent to which Heet ceased to be a subsidiary of the Company.
- The Company had earlier made provision for diminution in value of investments for ABP Realty Advisors Private Limited and India Development and Construction Venture Capital Private Limited amounting to ₹ 5 lakhs each. Since the Company has filed application for closures of the said companies with Register of Companies (ROC), the amount of investment have been squared off against provision for diminution in value of investment made in previous year.
- The Company has invested in Sanas Developers Private Limited during the year by purchasing 5,100 Equity Shares at ₹ 10/- each.
- During the year E Commerce Magnum Solutions Limited had converted Cumulative Optionally Convertible Redeemable Preference Shares into Non-cumulative Optionally Convertible Redeemable Preference shares. The same has been redeemed during the year. Further, the Company has purchased 10,000 Non Cumulative Optionally Convertible Redeemable Preference Shares at ₹ 10/- each.
- During the year the Company has sold 1,59,10,000 debentures of ₹ 10/- each of Asmeeta Infratech Limited at a discounted price of ₹250 lakhs as lump sum consideration for transaction.
- On account of reconstitution of the firms, all the partners other than Hubtown Limited retired in firms Akruti Jay Developers, Akruti Kailash Constructions and Celeste Joint Venture post reporting date. Consequent to such reconstitution the projects in said firms were subsequently transferred in the Company. Accordingly investment in such firms have been disclosed under current investments.
- In previous year the Company had written off the capital amount given for project development amounting to ₹ 775.00 lakhs to a partnership firm Shreenath Realtors for development and exploitation of areas at Nirmal Nagar, Sion, Mumbai. Since the approval from the Government has not been received till date nor there is any scope of it being approved in the near future, operation cost has been mounting year on year in the said firm. However, the firm has not been dissolved as on date.
- Primeria (a Joint Venture), where the Company has invested capital of ₹ 1.60 lakhs had been written off in the previous year. However the firm has not been dissolved as on date.
- The Company has investments in certain subsidiaries, jointly controlled entities and associates aggregating ₹ 97,546.00 lakhs (March 31, 2018: ₹ 98,217.00 lakhs) and loans and advances outstanding aggregating ₹ 17,463.00 lakhs (March 31, 2018: ₹ 22,826 lakhs) as at March 31, 2019. 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, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|------------------------------------|---|---|
| Note '7' | | |
| Trade Receivables | | |
| Non-current | | |
| Unsecured, considered good | - | - |
| Trade Receivables | - | - |
| Total | - | - |
| Current | | |
| Unsecured, considered good | | |
| Related Parties (Refer Note 33) | 16,487.20 | 15,942.85 |
| Others | 15,419.77 | 19,112.85 |
| Doubtful | | |
| Others | 165.19 | 165.19 |
| Less: Allowance for doubtful debts | (165.19) | (165.19) |
| Total | 31,906.97 | 35,055.70 |

Footnotes:

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.
- Trade receivables are towards sale of FSI/projects/rights and services. Credit terms for such receivables are based on respective contracts.

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Note '8' | | |
| Loans | | |
| Non-current | | |
| Unsecured, considered good | - | - |
| - Loan to a related party (Refer Note 33) | 519.01 | 458.00 |
| Total | 519.01 | 458.00 |
| Current | | |
| Unsecured, considered good | | |
| - Loan to related parties (Refer Note 33 and footnote a to note 34) | 7,128.31 | 4,757.67 |
| - Loans to others | 2,608.43 | 2,622.30 |
| - Loans to Employees | 2.31 | 2.35 |
| Total | 9,739.05 | 7,382.32 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| Note '9' | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Other financial assets | | |
| Non-current | | |
| Bank balances (Refer Footnote) | | |
| - Deposits with maturity of more than twelve months | 0.16 | 0.16 |
| - Margin money deposits | 95.93 | 259.81 |
| Security deposits | 105.71 | 79.89 |
| Other Advances | | |
| Advances recoverable | | |
| Doubtful | | |
| - Related parties (Refer Note 33) | - | 9.15 |
| - Others | 124.51 | 124.51 |
| Less: Provision for doubtful advances | (124.51) | (133.66) |
| Other receivables | | |
| Interest accrued on fixed deposits | 0.36 | 1.83 |
| Total | 202.16 | 341.69 |
| Footnote: | | |
| Balances with bank in margin money and fixed deposits are kept as security for guarantees / other facilities. | | |
| Current | | |
| Security deposits | 229.04 | 337.54 |
| Project Advances (Refer Footnote a and b) | | |
| - Related parties (Refer Note 33 and Footnote i of Note 6) | 23,209.11 | 27,657.39 |
| Other Advances | | |
| Current Account Balances in Partnership Firms and Joint Ventures (Refer Note 33) | 30,639.20 | 23,745.57 |
| Advances recoverable | | |
| - Related parties (Refer Note 33) | 2,298.57 | 2,049.06 |
| - Others | 23,016.37 | 20,375.79 |
| Unbilled revenue | - | 6,845.98 |
| Other receivables | | |
| - Other than Trade Receivables | 1,899.75 | 1,938.20 |
| - Interest accrued on fixed deposits | 9.54 | 9.06 |
| - Interest accrued on investments | 19.46 | - |
| - Interest accrued on loan - Related Party (Refer Note 33) | 738.49 | 613.51 |
| Total | 82,059.53 | 83,572.10 |

Footnotes:

- The amount funded by the Company to its subsidiaries, joint ventures and associate entities initially were in infant stage. These entities are on the verge of launching their own projects and are also in the process of obtaining finance facilities / investors, etc. on their own strength. In view of the above developments, project advances to these entities are considered as repayable on demand.
- The Company has not charged interest on advances given by it to certain group entities developing real estate projects, in which the Company has a commercial and business interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Note '10' | | |
| Income Tax Assets (Net) | | |
| Income tax assets | 1,503.59 | 4,892.14 |
| Income tax liabilities | (755.56) | (2,249.34) |
| Total | 748.03 | 2,642.80 |
| Income Tax expense | | |
| (a) Income Tax expense | | |
| Current Tax | - | 450.37 |
| Tax in respect of earlier years | 51.54 | 151.85 |
| | 51.54 | 602.22 |
| Deferred tax expense / (credit) | 953.61 | (813.87) |
| Income Tax expense / (credit) | 1,005.15 | (211.65) |
| (b) Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate | | |
| Profit for the Year | 295.71 | 2,442.24 |
| Income tax expense calculated at 34.608% | 103.33 | 845.21 |
| Tax effects of amounts that are not deductible (taxable) in calculating taxable income: | | |
| Effect of expenses that are not deductible in determining taxable profit | 13.39 | 95.19 |
| Effect of difference in rate of tax due to MAT | (8.05) | (347.26) |
| Effect of expenses that are deductible in determining taxable profit due to timing difference | (45.12) | (76.40) |
| Effect of income that is exempt from taxation | (63.55) | (66.37) |
| Effect on deferred tax due to timing difference (Refer Note 11) | 953.61 | (813.87) |
| Adjustments for current tax of prior periods | 51.54 | 151.85 |
| Income tax expense | 1,005.15 | (211.65) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '11': Deferred Tax balances (Net) (Contd.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Note '11' | | |
| Deferred Tax balances (Net) | | |
| The following is the analysis of deferred tax asset / (liabilities) presented in the Balance Sheet | | |
| Deferred Tax Asset | 12,718.52 | 8,380.38 |
| Deferred Tax Liability | (8,578.32) | (3,993.52) |
| Total | 4,140.20 | 4,386.86 |

2018-2019

| | Opening Balance | Recognised in Statement of Profit and Loss | Closing Balance |
|---|-----------------|--|-----------------|
| Deferred tax assets / (liabilities) in relation to: | | | |
| Difference in Debtors Under Subvention Scheme | 101.43 | (101.43) | - |
| Difference in Revenue Recognition | - | 4,633.07 | 4,633.07 |
| Difference in WIP | - | (5,274.15) | (5,274.15) |
| Difference in security deposit | 3.53 | (40.09) | (36.56) |
| Difference in security deposit | - | 5.84 | 5.84 |
| Difference in advance lease rent | (34.45) | 67.63 | 33.18 |
| Difference in advance lease rent | 28.74 | (34.02) | (5.28) |
| On account of Interest Free Long Term Borrowings | (3,274.88) | 719.43 | (2,555.45) |
| On account of Advance Finance Income | 3,176.58 | (824.47) | 2,352.11 |
| On account of Interest Free Long Term Loans Given | 166.95 | (11.23) | 155.72 |
| On account of Equity Contribution towards Loans and Advances | (196.65) | (1.90) | (198.55) |
| Temporary difference in relation to investments in joint ventures | - | (0.14) | (0.14) |
| Depreciation | (486.34) | (21.85) | (508.19) |
| Provisions | 73.89 | 27.31 | 101.20 |
| Others | 4,799.92 | 637.48 | 5,437.40 |
| On account of Investment in Mutual Fund | (1.20) | 1.20 | - |
| On account of Investment in Non-Convertible Debenture (GATBL) | 29.34 | (29.34) | - |
| | 4,386.86 | (246.66) | 4,140.20 |
| On account of adoption of Ind AS 115 (Refer note 41) | 706.95 | (706.95) | - |
| | 5,093.81 | (953.61) | 4,140.20 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| 2017-2018 | Opening Balance | Recognised in profit or loss | Closing Balance |
|---|-----------------|---------------------------------|-----------------|
| Deferred tax assets / (liabilities) in relation to: | | | |
| Difference in Debtors Under Subvention Scheme | 177.31 | (75.88) | 101.43 |
| Difference in security deposit | 9.18 | (5.65) | 3.53 |
| On account of Advance Lease Rentals | 17.32 | (51.77) | (34.45) |
| Difference in advance lease rent | - | 28.74 | 28.74 |
| On account of differential interest | - | (3,274.88) | (3,274.88) |
| On account of Interest Free Long Term Borrowings | - | 3,176.58 | 3,176.58 |
| Temporary difference in relation to investments in joint ventures | (17.34) | 17.34 | - |
| Depreciation | (112.33) | (374.01) | (486.34) |
| Provisions | 73.89 | - | 73.89 |
| Others | 3,424.95 | 1,374.97 | 4,799.92 |
| On account of Investment in Mutual Fund | - | (1.20) | (1.20) |
| On account of Investment in Non-Convertible Debenture (GATBL) | - | 29.34 | 29.34 |
| On account of Interest Free Long Term Loans Given (Joyous) | - | 166.95 | 166.95 |
| On account of Equity Contribution towards Loans and Advances (Joyous) | - | (196.65) | (196.65) |
| | 3,572.99 | 813.87 | 4,386.86 |

Significant estimates: Based on the approved plans and budgets, the Company has estimated that the future taxable income will be sufficient to absorb carried forward losses and unabsorbed depreciation, which management believes is probable and accordingly the Company has recognised deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Note '12' | | |
| Other assets | | |
| Non-current | | |
| Capital Advances (Unsecured, considered good) | | |
| Others | - | 1,681.00 |
| Advances to land owners (Unsecured, considered good) | 2,381.01 | 2,390.98 |
| Other advances | | |
| Prepaid Expenses | 4.90 | 20.91 |
| Total | 2,385.91 | 4,092.89 |
| Current | | |
| Advance to Suppliers | 1,622.30 | 1,618.46 |
| Advances to land owners (Unsecured, considered good) | 10,104.00 | - |
| Other Advances | | |
| Prepaid Expenses | 10.61 | 5.02 |
| Others | 286.65 | 734.34 |
| Total | 12,023.56 | 2,357.82 |
| Note '13' | | |
| Inventories | | |
| Inventories (lower of cost or net realisable value) | | |
| Stock of material at site | 122.78 | 196.09 |
| Incomplete projects | 102,190.40 | 94,443.59 |
| Floor space index (FSI) | 126.26 | 126.26 |
| Finished Properties | 568.36 | - |
| Total | 103,007.80 | 94,765.95 |

Footnotes :

- The projects are under various stages of development and are expected to have net realisable value greater than the cost.
- Inventories include inventory with carrying value of ₹ 53,353.66 lakhs (As at 31st March, 2018: ₹ 52,842.53 lakhs) which have been mortgaged against the borrowings of the Company. The Company has various projects under construction, and it has obtained loan/finance facilities against the mortgage of units to be constructed on the said projects and the same is reflected as inventory. The Company has also sold units which are under construction and the lender has issued NOC for the same.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Note '14' | | |
| Cash and cash equivalents | | |
| Balances with banks: | | |
| - in current accounts | 1,870.40 | 1,365.73 |
| - in deposit with maturity of less than three months | 46.57 | 27.55 |
| Cash on hand | 28.31 | 20.89 |
| Cash and cash equivalents as per balance sheet | 1,945.28 | 1,414.17 |
| Working Capital Loan from Bank (Refer Note 18) | (1,434.08) | (1,293.20) |
| Cash and cash equivalents as per statement of cash flows | 511.20 | 120.97 |

Footnote:

Balances with bank in margin money and fixed deposits are kept as security for guarantees / other facilities.

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Note '15' | | |
| Other bank balances | | |
| Unpaid dividend accounts | 1.05 | 2.05 |
| Deposits with maturity of more than three months but less than twelve months | 40.10 | 37.98 |
| Margin money deposits | 490.99 | 100.28 |
| Total | 532.14 | 140.31 |

Footnote:

Balances with banks 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, 2019 (CONTD.)

| Note '16' | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Equity share capital | | |
| Authorised Share Capital: | | |
| 125,000,000 (As at 31st March, 2018: 125,000,000) Equity Shares of ₹ 10/- each | 12,500.00 | 12,500.00 |
| Issued and subscribed capital comprises: | | |
| 72,735,871 (As at 31st March, 2018: 72,735,871) Equity Shares of ₹ 10/- each fully paid up | 7,273.59 | 7,273.59 |
| | 7,273.59 | 7,273.59 |

a) Reconciliation of number of shares outstanding at the beginning and at the end of the year

| | Number of Shares | Share Capital (₹ in Lakhs) |
|------------------------------------|------------------|-------------------------------|
| Fully paid equity shares | | |
| Balance at 1st April, 2017 | 72735871 | 7,273.59 |
| Add : Issued during the year | - | - |
| Less : Bought back during the year | - | - |
| Balance at 31st March, 2018 | 72735871 | 7,273.59 |
| Add : Issued during the year | - | - |
| Less : Bought back during the year | - | - |
| Balance at 31st March, 2019 | 72735871 | 7,273.59 |

b) Terms / rights attached to equity shares

The Company has a single class of equity shares having a par value of ₹10 per share. Each shareholder 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.

c) Details of shares held by each shareholder holding more than 5% shares

| | As at 31st March, 2019 | | As at 31st March, 2018 | |
|-------------------------------|------------------------|--------------------------------------|------------------------|--------------------------------------|
| | No of shares held | % holding of this class of shares | No of shares held | % holding of this class of shares |
| Fully paid equity shares | | | | |
| Vyomesh Mahipatray Shah | 7,540,000 | 10.37% | 7,540,000 | 10.37% |
| Hemant Mahipatray Shah | 5,990,000 | 8.24% | 5,990,000 | 8.24% |
| Falguni Vyomesh Shah | 5,789,772 | 7.96% | 5,789,772 | 7.96% |
| Hemant Mahipatray Shah (HUF) | 4,980,500 | 6.85% | 4,980,500 | 6.85% |
| Vyomesh Mahipatray Shah (HUF) | 3,925,000 | 5.40% | 3,925,000 | 5.40% |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| Note '17' | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---------------------------------------|---|---|
| Other Equity | | |
| Securities premium reserve | | |
| Balance at the beginning of the year | 60,716.12 | 60,716.12 |
| Add / (Less) : | | |
| Appropriations | - | - |
| Balance at the end of the year | 60,716.12 | 60,716.12 |

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

| | | |
|---------------------------------------|-----------------|-----------------|
| Debenture redemption reserve | | |
| Balance at the beginning of the year | 2,200.00 | 4,659.15 |
| Add / (Less) : | | |
| Amount transferred to general reserve | - | (2,459.15) |
| Balance at the end of the year | 2,200.00 | 2,200.00 |

A debenture redemption reserve is a reserve that any Indian company that issues debentures must create to protect investors against the possibility of default by the Company.

| | | |
|--|------------------|------------------|
| General reserve | | |
| Balance at the beginning of the year | 30,795.00 | 28,335.85 |
| Add / (Less) : | | |
| Amount transferred from Debenture redemption reserve | - | 2,459.15 |
| Balance at the end of the year | 30,795.00 | 30,795.00 |

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

| | | |
|---|-------------------|-------------------|
| Retained Earnings | | |
| Balance at the beginning of the year | 74,503.05 | 71,837.42 |
| On account of adoption of Ind AS 115 (Refer Note 41) | (1,379.03) | - |
| | 73,124.02 | 71,837.42 |
| Profit attributable to the owners of the Company | (709.44) | 2,653.89 |
| Items of OCI recognised directly in retained earnings | 31.15 | 11.74 |
| Balance at the end of the year | 72,445.73 | 74,503.05 |
| Total | 166,156.85 | 168,214.17 |

Footnote:

The Company, owing to liquidity issues, has not invested / deposited as at 31st March, 2019: ₹ 294.76 lakhs (at 31st March, 2018: ₹ 310.46 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, 2019 (CONTD.)

| Note '18' | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Borrowings | | |
| Non-current | | |
| Secured | | |
| (i) Term Loans | | |
| - From banks (Refer footnote a) | 12,370.50 | 15,937.02 |
| - From a Company (Refer footnote b) | 7,503.80 | 5,737.21 |
| - From financial institutions (Refer footnote c) | 19,045.84 | 14,832.44 |
| | 38,920.14 | 36,506.67 |
| (ii) Other Loans | | |
| - Loan from Others (Refer footnote d) | 21.44 | 53.50 |
| | 21.44 | 53.50 |
| Less: Transferred to Current Maturities | | |
| Long Term Loans from Banks | (12,370.50) | (15,937.02) |
| Long Term Loans from Financial Institutions | (17,669.23) | (12,671.31) |
| Long Term Loans from a Company | (3,380.80) | (1,376.10) |
| Long Term Loans from Others | (16.44) | (28.29) |
| | (33,436.97) | (30,012.72) |
| Total | 5,504.61 | 6,547.45 |

Footnotes :

a. Secured term loans from banks carry interest rates within a range of 9.60 % to 16.60 %. The nature of securities are:

Name of lenders Security Offered (Further secured by personal guarantee of one or more promoters)

- | | | | |
|---|----------------------|-----|--|
| 1 | 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. |
| 2 | 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. |

b. UCO Bank has transferred the Loan amount including interest thereon amounting to ₹ 18,287.94 lakhs as on 31st March, 2017 to the third party "Invent Asset Securitisation & Reconstruction Private Limited (Company)" vide letter dated 11.04.17. The said loan has been settled at ₹ 15,500.00 lakhs via letter dated 27.11.2017 from Invent Asset Securitisation & Reconstruction Private Limited (company). The loan carries 0% interest rate and repayable within 5 years and have been measured at fair value. The loan is secured against Property located at Mulund, Thane and Andheri (East) and also first charge on lease rent receivable from said Premises.

c. Secured loan from Indiabulls Housing Finance Limited (financial institution) carries IRR of 28.36%. This loan is secured against mortgage of property of the Company located at Andheri (East) along with the personal guarantee of promoters.

d. Secured loans of ₹ 21.45 lakhs are vehicle loans from others, which carry interest rates within a range of 9.5% - 11% and are repayable by May, 2021.

e. Details of repayment of long term borrowings are as follows : (₹ in lakhs)

| Particulars | * Up to 1 year | 2 to 5 years | Above 5 years | Total |
|--|------------------|-----------------|---------------|------------------|
| Term loans from Banks | 12,370.50 | - | - | 12,370.50 |
| Term loans from Companies \$ | 3,380.80 | 4,123.00 | | 7,503.80 |
| Term loans from Financial Institutions # | 17,669.23 | 1,376.61 | - | 19,045.84 |
| Loans from Others | 16.44 | 5.00 | - | 21.44 |
| Total | 33,436.97 | 5,504.61 | - | 38,941.58 |

* Including overdue amounts

\$ - Measured at fair value

- Measured at amortised cost (net of transaction cost)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '18' : Borrowings (Contd.)

f. Period and amount of continuing default as on Balance Sheet date in repayment of term loans and interest :

| Particulars | 31 March, 2019 | | 31 March, 2018 | |
|------------------------------|------------------|---------------|------------------|---------------|
| | ₹ in lakhs | Period | ₹ in lakhs | Period |
| <u>Term loans from Banks</u> | | | | |
| Overdue installments | 12,370.50 | Before Apr 17 | 15,937.02 | Before Apr 17 |
| Interest | 875.65 | Before Apr 17 | 4,177.53 | Before Apr 17 |
| Interest | 2,427.11 | Before 18- 19 | | |
| Total | 15,673.26 | | 20,114.55 | |

Current

Secured

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| (i) Working Capital Loan / Cash credit from Banks (Refer Footnote a and Note 14) | 1,434.08 | 1,293.20 |
| (ii) Loans from Financial Institutions (Refer Footnote b and f) | 3,226.68 | 4,950.00 |
| (iii) Loans repayable on demand: From Companies (Refer Footnote c and d) | 6,620.43 | 4,488.04 |
| | 11,281.19 | 10,731.24 |

Unsecured

| | | |
|---|------------------|------------------|
| (i) Loans repayable on demand: - From Companies (Refer Footnote e) | 14,045.91 | 16,046.20 |
| | 14,045.91 | 16,046.20 |
| Total | 25,327.10 | 26,777.44 |

Footnotes :

- Working capital loan from bank carries interest rate of 19.30% (31st March, 2018: 17.30%). 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. The said account of the Company has been attached by the Maharashtra State CID in connection with ongoing case with regards to a commercial transaction with an erstwhile associate company. [Refer Note 36(ii)(c)]
- Secured loan from financial institution carries average interest rate of 16.50%. This loan is secured against pledge of equity shares in the Company held by the promoters along with personal guarantee of promoters and mortgage of premises in the project located at Andheri (East) and Land situated at Uran, District Raigad and Kopari, Thane.
- Secured loans from companies carry interest rate of 21% and are repayable on demand. However, loan from a company amounting to ₹ 2,944.13 lakhs (As at 31st March, 2018: ₹ 3,040.26 lakhs) is interest free. These Loans are secured against mortgage of unsold area of the commercial project at Andheri (East) and Jogeshwari (East) and secured against pledge of equity shares in the Company held by the promoters.
- Secured loan of Dena Bank has become NPA and has assigned the loan amount including interest thereon amounting to ₹ 21,000 lakhs as on 28th November, 2018 to a third party "International Asset Reconstruction Company Private Limited (IARC)" vide letter dated 24th December, 2018. The loan is secured against properties located at Mumbai. The said loan liability has been shown under secured loan from Companies and terms of loan is under process.
- Unsecured loans from companies and others carry interest rates within a range of 15% to 27% and are repayable on demand.
- Period and amount of default as on Balance Sheet date in repayment of term loans and interest :

| Particulars | 31st March, 2019 | | 31st March, 2018 | |
|-----------------------------------|------------------|-----------------|------------------|----------|
| | ₹ in lakhs | Period | ₹ in lakhs | Period |
| Loans from Financial Institutions | | | | |
| Overdue installments | 3,226.68 | Feb-19 | - | - |
| Interest (Net of TDS) | 149.70 | Jan to March 19 | 19.09 | March 18 |
| | 3,376.38 | | 19.09 | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| Note '19' | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Other financial liabilities | | |
| Non-current | | |
| Retention money payable (Refer Footnote d) | 591.43 | 684.77 |
| Lease deposits from tenants | 140.09 | 72.69 |
| Advance Lease Rentals | 61.84 | 83.04 |
| Advance Finance Income (Refer Footnote (b) to Note 18 Non Current Borrowings) | 4,283.41 | 6,731.08 |
| Total | 5,076.77 | 7,571.58 |

Current

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Current maturities and overdue installments of long-term debts (Refer Note 18) | 33,436.97 | 30,012.72 |
| Interest accrued and due on borrowings | 7,789.90 | 9,583.35 |
| Retention money payable | 26.79 | 475.83 |
| Unpaid matured debentures and interest accrued thereon (Refer Footnote a and b) | 2,086.04 | 2,199.01 |
| Unclaimed/unpaid dividends | 1.06 | 2.01 |
| Current account balance in firms and joint ventures (Refer Note 33) | 6,981.36 | 5,670.20 |
| Security deposits (Refundable) | 14,771.95 | 14,563.31 |
| Lease deposits from tenants | 43.19 | 43.19 |
| Advance Lease Rentals | 33.11 | 22.35 |
| Advance Finance Income (Refer Footnote (b) to Note 18 Non Current Borrowings) | 2,447.67 | 2,447.66 |
| Other payables (Refer Footnote c) | 30,389.73 | 28,837.05 |
| Total | 98,007.77 | 93,856.68 |

Footnotes:

- As per fourth consent terms dated 2nd February, 2018, outstanding amount to be repayable with interest @ 20% p. a., of which last installment was to be redeemed on or before 31st March 2018. 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 the Company. The said Debentures has been matured and unpaid amounting to ₹ 2,086.04 Lakhs has been disclosed under other current financial liability. However the Company is in the process of renegotiating the terms of the Non – Convertible Debentures with the Debenture holders.
- Period and amount of default as on the Balance Sheet date in respect of matured debentures and interest accrued thereon :

| | 31st March, 2019 | | 31st March, 2018 | |
|---|------------------|-----------|------------------|-----------|
| | (₹ in lakhs) | Period | (₹ in lakhs) | Period |
| Overdue Instalments: | | | | |
| 10,000 (As at 31st March, 2018: 10,000) Redeemable non-convertible debentures of the face value of ₹ 100,000/- each | 1,965.08 | 3/31/2018 | 2069.72 | 3/31/2018 |
| Interest : | | | | |
| 10,000 (As at 31st March, 2018: 10,000) Redeemable non-convertible debentures of the face value of ₹ 100,000/- each | 120.96 | 3/31/2018 | 129.29 | 3/31/2018 |
| Total | 2,086.04 | | 2,199.01 | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

- c. Other payable includes ₹ 15,132.16 lakhs (As at 31st March, 2018: ₹ 17,779.65 lakhs) due to related parties. Further, attention is invited to Note 33.
- d. Retention Money liability to the contractors which are not due for payment as at 31st March, 2019 have been shown under the head "Other Financial Liabilities" as per Ind AS 32. As per the management, the retention liability is in the nature of holding the amount as guarantee towards performance and does not relate to credit period given by the contractor. Further in the opinion of the management, there has not been any authoritative clarification / interpretation with regard to measurement of fair value in respect of above item hence retention liability has not been discounted as on 31st March, 2019.

Note '20'

Provisions

Non-current

Employee Benefits

Provision for Gratuity (Refer Note 32 and Footnote)

Provision for leave benefit

Total

Current

Employee Benefits

Provision for Gratuity (Refer Note 32 and Footnote)

Provision for leave benefit

Total

Footnote:

Provision for gratuity is stated net of plan assets ₹ 55.16 lakhs (As at 31st March, 2018: ₹ 76.02 lakhs)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|--|---|
| | | |
| | 55.16 | 76.03 |
| | 162.84 | 132.91 |
| | 218.00 | 208.94 |
| | | |
| | 250.61 | 203.44 |
| | 94.37 | 86.87 |
| | 344.98 | 290.31 |

Note '21'

Trade payables

Dues to MSME

Dues to others

Total

Footnotes:

- a. The average credit period on purchases is 6 to 9 months.
- b. Details of dues to Micro, Small and Medium Enterprises as defined under Micro Small Medium Enterprises Development Act, 2006 :
The above information has been provided as available with the Company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED Act. The overdue principal amounts outstanding to the extent ₹ 203.96 Lakhs (P.Y- Nil) are payable to such vendors at the Balance Sheet date. The interest on overdue amount has not been provided/paid since there are differences in supplier account balances is under reconciliation.

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|--|---|
| | 203.96 | - |
| | 11,742.36 | 10,389.45 |
| | 11,946.32 | 10,389.45 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Note '22' | | |
| Other Liabilities | | |
| Current | | |
| Advance from customers (Refer Footnote) | 50,781.81 | 40,775.69 |
| Advance against Property | 48,623.95 | 51,024.23 |
| Overdrawn bank balances as per books of account | 240.93 | 274.05 |
| Other payables : | | |
| Statutory dues | 1,743.12 | 3,110.19 |
| Employees benefit payables | 350.16 | 295.26 |
| Others | 126.09 | 864.72 |
| Total | 101,866.06 | 96,344.14 |

Footnote:

Income received in advance (advance from customers) includes ₹ 11,687.06 lakhs (As at 31st March, 2018: ₹ 17,168.82 lakhs) received from related parties. Further, attention is invited to Note 33.

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|--|
| Note '23' | | |
| Revenue from operations | | |
| Sale from operations : | | |
| Sale of properties / rights (Net) (Refer Footnote a and b) | 37,228.81 | 31,140.30 |
| Project Management Consultancy Service (Refer Footnote a) | 1,348.97 | - |
| Revenue from sale of Trading Materials | 480.49 | 496.65 |
| Profit on sale of investments in subsidiaries, Joint ventures, etc. developing real estate projects (Refer Footnote a and d to note 6) | 236.73 | - |
| Loss on cancellation of sale of shares in joint venture (Refer foot note d) | - | (142.31) |
| | 39,295.00 | 31,494.64 |
| Other operating revenue : | | |
| Income on investments in subsidiaries, Joint ventures, etc. developing real estate projects (Refer Footnote c) | 1,025.67 | 1,389.32 |
| Unwinding of Interest free loans | 36.79 | 32.35 |
| Lease rentals | 972.01 | 1,125.30 |
| Sundry credit balances appropriated | 36.67 | 56.25 |
| Provision for doubtful debts written back | 9.15 | - |
| Provision for diminution in investment written back | 10.00 | 1.60 |
| Others | 19.21 | 87.11 |
| | 2,109.50 | 2,691.93 |
| Total | 41,404.50 | 34,186.57 |

Footnotes:

- Sale of Properties/Rights/Services includes ₹ 10,215.76 lakhs (For 2017-18: ₹ 2932.11 lakhs) from related parties. Further attention is invited to note 33.
- Sale of Properties is net of ₹ 12,000.00 lakhs (For 2017-18: ₹ NIL) on account of reversal of revenue recognised in previous year.
- The Company has not recognised finance income amounting to ₹ 22,025.05 lakhs (For 2017-18: ₹ 18,508.44 lakhs) from Deep Discount Bonds held in one of its joint venture entities as the terms of the said Bonds relating to tenure of the Bonds and redemption premium are under negotiation with the issuer.
- The Company had sold its entire holding in the share capital of Giraffe Developers Private Limited, vide sale deed dated 15th February, 2017. The sale transaction has been cancelled in the previous year due to non fulfillment of certain condition of sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---|--|--|
| Note '24' | | |
| Other income | | |
| Interest Income: | | |
| Debentures | 21.62 | - |
| Loans | 127.18 | 250.00 |
| Bank fixed deposits | 40.80 | 30.92 |
| Interest income on financial asset at amortised cost | 307.71 | 253.61 |
| Income on account of OTS (Refer footnote i to iv) | 2,870.63 | 14,714.04 |
| Interest write back | 751.28 | 6,971.31 |
| Interest waiver | - | 313.63 |
| Interest income on financial liabilities measured at fair value (Refer Footnote (b) to Note 18 Non Current Borrowings) | 2,455.75 | 1,224.63 |
| Others | 703.55 | 1,002.97 |
| | 7,278.52 | 24,761.11 |
| Other gains and losses | | |
| Surplus on sale / discardment of fixed assets (Net) | 0.42 | 1,131.25 |
| Gain on Fair Valuation of Investments in Mutual Funds | 1.03 | 3.47 |
| Gain on foreign currency fluctuation (Net) | - | 0.30 |
| | 1.45 | 1,135.02 |
| Miscellaneous income | 32.70 | 113.26 |
| Total | 7,312.67 | 26,009.39 |

Footnotes:

- (i) Income on account of OTS included waiver of outstanding interest thereon from Oriental Bank of Commerce amounting to ₹ 1,220.63 lakhs.
- (ii) The Company has taken over debts of Rubix Trading Private Limited (Subsidiary of its Associate Vinca Developer Private Limited) amounting to ₹ 2,350.00 lakhs for which the Company was guarantor to Deutsche Investment India Private Limited (Lender). The said Debt was settled at ₹ 700.00 lakhs by signing consent term with the lender. The differential amount of ₹ 1,650.00 lakhs has been disclosed under income on account of OTS.
- (iii) In the previous year Income on account of OTS includes waiver of outstanding loan and interest thereon from Bank of Maharashtra and Dena Bank amounting to ₹ 11,868.43 lakhs and ₹ 57.67 lakhs respectively.
- (iv) In the previous year UCO Bank had assigned the loan to Invent Asset Securitisation & Reconstruction Private Limited vide letter dated 11.04.17. The waiver of said loan amounting to ₹ 2,787.94 lakhs has been accounted as income on account of OTS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '25'

Costs of Construction / Development

Construction costs incurred during the year:

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|------------------------------------|--|--|
| Land / rights acquired | 1,909.72 | 323.65 |
| Material and labour costs | 7,735.41 | 5,880.20 |
| Approval and consultation expenses | 2,036.20 | 683.45 |
| Other direct development expenses | 1,633.73 | 1,839.14 |
| Total | 13,315.06 | 8,726.44 |

Note '26'

Changes In Inventories Of Incomplete Projects, Finished Properties And FSI

Opening Inventory :

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|--|
| Floor Space Index (FSI) | 126.26 | 126.26 |
| Incomplete projects | 94,443.59 | 90,712.61 |
| | 94,569.85 | 90,838.87 |
| Add / (Less): | | |
| On account of adoption of Ind AS 115 (Net) (Refer Note 41) | 24,365.69 | - |
| | 118,935.54 | 90,838.87 |
| Project expenses written off | (107.63) | - |
| | 118,827.91 | 90,838.87 |
| Closing Inventory : | | |
| Floor Space Index (FSI) | 126.26 | 126.26 |
| Incomplete projects | 102,190.40 | 94,443.59 |
| Finished Properties | 568.36 | - |
| | 102,885.02 | 94,569.85 |
| Total | 15,942.89 | (3,730.98) |

Note '27'

Employee Benefits Expense

[Net of amounts recovered from other entities ₹ NIL (P.Y. ₹ 198.68 lakhs)]

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---|--|--|
| Salaries, bonus, etc. | 1,232.62 | 1,399.07 |
| Contribution to provident and other funds | 117.49 | 58.56 |
| Staff welfare expenses | 22.79 | 37.36 |
| Other fund expenses | 2.71 | 3.87 |
| Total | 1,375.61 | 1,498.86 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '28'

Finance Costs

Interest costs

Interest on Debentures

Interest on Fixed loans

Unwinding of security deposit

Interest expenses on financial liabilities measured at fair value(Refer Footnote (b) to Note 18)

Other interest expense

Other Borrowing cost

Delayed/penal interest on loans and statutory dues

Total

| Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|
| | |
| 399.78 | 301.46 |
| 5,648.32 | 27,172.32 |
| 41.31 | 132.85 |
| 2,149.81 | 939.79 |
| 464.72 | 930.89 |
| 2,634.50 | 912.86 |
| 124.30 | 886.82 |
| 11,462.74 | 31,276.99 |

Footnotes:

- a. The Company has not provided for interest amounting to ₹ 21,713.04 lakhs (P.Y.: ₹ 4,162.00 lakhs) on certain corporate deposits as the Company is in the process of re-negotiating the terms / waiver of interest by respective lenders.
- b. In line with IND AS-23 'Borrowing Costs' issued by The Institute of Chartered Accountants of India, borrowing costs of ₹ 7,198.44 lakhs (For 2017-18: ₹ 7,405.45 lakhs) have been capitalised to inventory.

Note '29'

Depreciation and Amortisation Expenses

Depreciation of property, plant and equipment

Depreciation of investment properties

Total

| Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|
| | |
| 129.21 | 129.74 |
| 145.05 | 144.52 |
| 274.26 | 274.26 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '30'

Other Expenses

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|--|
| Insurance | 48.81 | 48.09 |
| Rent | 289.09 | 105.04 |
| Rates and taxes | 459.27 | 180.36 |
| Advertisement expenses | 434.27 | 494.82 |
| Provision for doubtful debts written off (Refer note 33) | 9.15 | - |
| Advances and other debit balances written off (Refer Footnote a and Note 33) | 704.52 | 7,086.81 |
| Investment write off (Refer Footnote b, g and h to Note 6 and also Note 33) | 10.00 | 776.60 |
| Bad Debts | 80.94 | 19.88 |
| Donations | - | 1.21 |
| Corporate Social Responsibility (CSR) activities | 70.00 | 385.25 |
| Brokerage | 575.51 | 223.83 |
| Directors' fees and travelling expenses | 24.99 | 26.47 |
| Commission to non-executive directors | 18.63 | 15.72 |
| Provision for doubtful debts | - | 76.20 |
| Repairs and society maintenance charges | 121.92 | 257.75 |
| Legal and professional fees | 556.66 | 503.84 |
| Prospective projects written off | 107.63 | - |
| Loss on Sale of Investment (Refer footnote e to note 6) | 1,341.00 | - |
| Loss on foreign currency fluctuation (Net) | 1.44 | - |
| Cancellation of Compensation for rights in Project | - | 8,452.86 |
| Other expenses (Refer Footnote c) | 1,054.46 | 926.49 |
| Total | 5,908.29 | 19,581.22 |

Footnotes:

- The Company has given advances to certain companies towards potential interest in their projects. Due to cancellation of approvals, continuing losses and no movement in the project status, in the opinion of the management such advances/ receivables aggregating ₹ 662.02 lakhs (for F.Y 2017-18 ₹ 7,066.49 lakhs) being non- recoverable were written off during the year.
- CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 32.42 Lakhs (Previous Year ₹ 34.00 lakhs), the actual amount spent during the year is ₹ 70.00 lakhs (Previous year ₹ 385.25 lakhs) for the purpose other than construction/acquisition of an assets.
- Auditors' Remuneration (included in Legal and professional fees and Other Expenses):

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---------------------------------|--|--|
| Audit fees | 53.00 | 53.00 |
| Limited review fees | 8.77 | 5.85 |
| Certification and other matters | 2.35 | 0.20 |
| | 64.12 | 59.05 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '31'

Earnings per share (EPS)

Basic Earning Per Share (In ₹)

Diluted Earnings Per Share (In ₹)

Basic and Diluted EPS

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Earnings used in the calculation of basic and diluted earnings per share

Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Nos.)

| Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|
| (0.98) | 3.65 |
| (0.98) | 3.65 |
| (709.44) | 2,653.89 |
| 72,735,871 | 72,735,871 |

Note '32'

Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A. Defined Contribution Plans

An amount of ₹ 44.16 lakhs (F.Y. 2017-18: ₹ 52.94 lakhs) under defined benefit plan is recognised as expense in the Statement of Profit and Loss.

B. Defined benefit obligation - Gratuity

The Principal assumptions used for the purpose of the actuarial valuations were as follows:

Discount Rate

Expected rate of salary increase

Expected average remaining service

| 31st March, 2019 | 31st March, 2018 |
|--|------------------|
| 7.64% | 7.67% |
| 5% | 5% |
| 20.42 | 20.60 |
| I (a) Expenses recognised in the Statement of Profit and Loss | |
| 47.49 | 47.53 |
| - | - |
| 22.97 | 24.26 |
| 70.46 | 71.79 |
| (b) Included in Other Comprehensive Income | |
| (31.31) | (15.55) |
| 0.16 | 3.81 |
| (31.15) | (11.74) |
| II Net Asset/(Liability) recognised in the Balance Sheet | |
| (393.94) | (365.49) |
| 55.16 | 76.02 |
| (338.78) | 289.47 |
| III Changes in Obligation during the year | |
| Movement in PV of defined benefit obligation | |
| 365.49 | 342.92 |
| 47.49 | 47.53 |
| 27.45 | 24.26 |
| (31.31) | (15.55) |
| (15.18) | (33.67) |
| 393.94 | 365.49 |

I (a) Expenses recognised in the Statement of Profit and Loss

Current service cost

Past service cost and (gain)/loss from settlement

Net interest expense

Component of define benefit cost recognised in statement of profit or loss

(b) Included in Other Comprehensive Income

Actuarial (Gain)/Loss recognized for the period

Return on Plan Assets excluding net interest

Component of defined benefit cost recognised in OCI

II Net Asset/(Liability) recognised in the Balance Sheet

Present value of Defined Benefit Obligation

Fair value of plan assets at end of the period

Funded status

III Changes in Obligation during the year

Movement in PV of defined benefit obligation

Present value of Defined Benefit Obligation at the beginning of the year

Current service cost

Interest cost

Actuarial gains and losses arising from changes in experience adjustment

Benefits paid

Present value of defined benefit obligation at the end of the year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '32' : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Contd.)

| | 31st March, 2019 | 31st March, 2018 |
|--|-------------------------|------------------|
| IV Changes in fair value of plan assets | | |
| Fair Value of the plan assets at the beginning of the year | 76.02 | 87.71 |
| Adjustment to opening Fair value plant Asset | (10.00) | - |
| Interest income | 4.48 | 6.01 |
| Return on plan assets (excluding interest income) | (0.16) | (3.81) |
| Contribution by employer | - | 19.78 |
| Benefits paid | (15.18) | (33.67) |
| Closing fair value of plan assets | 55.16 | 76.02 |

Asset Information:

Gratuity Fund

Expected Payout:

Year

Expected Outgo First

Expected Outgo Second

Expected Outgo Third

Expected Outgo Fourth

Expected Outgo Fifth

Expected Outgo Sixth to Tenth Year

| Year ended 31st March, 2019 (₹ in lakhs) | | Target Allocation |
|---|--|--------------------------|
| Total Amount | | % |
| 55.16 | | 100% |

| PVO Payout | |
|-------------------|--|
| 70.91 | |
| 7.18 | |
| 7.72 | |
| 12.34 | |
| 18.47 | |
| 136.15 | |

Sensitivity Analysis:

As of 31st March, 2019, every percentage point increase in discount rate will affect our gratuity benefit obligation ₹ 354.28 lakhs.

As of 31st March, 2019, every percentage point decrease in discount rate will affect our gratuity benefit obligation ₹ 441.56 lakhs.

As of 31st March, 2019, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation ₹ 441.84 lakhs.

As of 31st March, 2019, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation ₹ 353.46 lakhs.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Projected service cost as on 31st March 2020 is ₹ 40.14 lakhs.

Narrations:

1 Analysis of Defined Benefit Obligation

The number of members under the scheme have decreased by 3.90%. Similarly the total salary decreased by 0.57% during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 7.78%

2 Expected rate of return basis:

Since the scheme funds are invested with LIC of India EROA is based on rate of return declared by fund managers.

3 Description of Plan Assets and Reimbursement Conditions

100% of the Plan Asset is entrusted to LIC of India under their Group Gratuity Scheme. The reimbursement is subject to Insurer's Surrender Policy.

4 Investment / Interest Risk

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '32': Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits' (Contd.)

5 Longevity Risk

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

6 Longevity Risk

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

7 Discount Rate

The discount rate has decreased from 7.67% to 7.64% and hence there is an increase in liability leading to actuarial loss due to change in discount rate.

Note '33'

Related Parties Disclosures

| A. | Names of related parties and description of relationship | Country of Incorporation | Company's holding as at (%) | |
|------------|--|--------------------------|-----------------------------|------------------|
| | | | 31st March, 2019 | 31st March, 2018 |
| I. | Subsidiaries | | | |
| 1 | ABP Realty Advisors Private Limited (Applied for strike off 19th March, 2019) | India | - | 100.00% |
| 2 | Ackruti Safeguard Systems Private Limited | India | 72.43% | 72.43% |
| 3 | Citygold Education Research Limited | India | 100.00% | 100.00% |
| 4 | Citygold Farming Private Limited | India | 100.00% | 100.00% |
| 5 | Citywood Builders Private Limited | India | 100.00% | 100.00% |
| 6 | Devkrupa Build Tech Limited | India | 100.00% | 100.00% |
| 7 | Diviniti Projects Private Limited | India | 100.00% | 100.00% |
| 8 | Gujarat Akruiti-TCG Biotech Limited | India | 74.00% | 74.00% |
| 9 | Halitious Developer Limited | India | 100.00% | 100.00% |
| 10 | Headland Farming Private Limited | India | 100.00% | 100.00% |
| 11 | Heddle Knowledge Private Limited | India | 100.00% | 100.00% |
| 12 | Heet Builders Private Limited (upto 22nd February, 2019) | India | - | 94.40% |
| 13 | India Development And Construction Venture Capital Private Limited (Applied for strike off 19th March, 2019) | India | - | 100.00% |
| 14 | Joynest Premises Private Limited | India | 74.00% | 74.00% |
| 15 | Sanas Developers Private Limited (from 19th February, 2019) | India | 51.00% | - |
| 16 | Upvan Lake Resorts Private Limited | India | 75.00% | 75.00% |
| 17 | Urvi Build Tech Limited | India | 100.00% | 100.00% |
| 18 | Vama Housing Limited | India | 100.00% | 100.00% |
| 19 | Vega Developers Private Limited | India | 100.00% | 100.00% |
| 20 | Vishal Techno Commerce Limited | India | 100.00% | 100.00% |
| 21 | Yantti Buildcon Private Limited | India | 100.00% | 100.00% |
| | | | | |
| II. | Associates | | | |
| 1 | Giraffe Developers Private Limited | India | 48.00% | 48.00% |
| 2 | Shubhsiddhi Builders Private Limited | India | 50.00% | 50.00% |
| 3 | Vinca Developer Private Limited | India | 49.00% | 49.00% |
| 4 | Whitebud Developers Limited | India | 50.00% | 50.00% |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

| A. | Names of related parties and description of relationship | Country of Incorporation | Company's holding as at (%) | |
|-------------|---|--------------------------|-----------------------------|------------------|
| | | | 31st March, 2019 | 31st March, 2018 |
| III. | Joint Ventures | | | |
| 1 | Akruti GM Joint Venture | India | 77.00% | 77.00% |
| 2 | Akruti Jay Chandan Joint Venture | India | 50.00% | 50.00% |
| 3 | Akruti Jay Developers | India | 66.66% | 66.66% |
| 4 | Akruti Kailash Constructions | India | 90.00% | 90.00% |
| 5 | Akruti Steelfab Corporation (under the process of dissolution) | India | - | - |
| 6 | Hubtown Bus Terminal (Adajan) Private Limited | India | 45.00% | 45.00% |
| 7 | Hubtown Bus Terminal (Ahmedabad) Private Limited | India | 45.00% | 45.00% |
| 8 | Hubtown Bus Terminal (Mehsana) Private Limited | India | 45.00% | 45.00% |
| 9 | Hubtown Bus Terminal (Surat) Private Limited | India | 45.00% | 45.00% |
| 10 | Hubtown Bus Terminal (Vadodara) Private Limited | India | 45.00% | 45.00% |
| 11 | Joyous Housing Limited | India | 25.00% | 25.00% |
| 12 | Rare Townships Private Limited | India | 40.00% | 40.00% |
| 13 | Rising Glory Developers | India | 75.00% | 86.30% |
| 14 | Shreenath Realtors (under the process of dissolution) | India | - | - |
| 15 | Sunstream City Private Limited | India | 43.00% | 43.00% |
| 16 | Twenty Five South Realty Limited (formerly known as Hoary Realty Limited) | India | 61.27% | 61.27% |

IV. Key Management Personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director

V. Non Executive directors over which they are able to exercise significant influence (where transaction have taken place)

- 1 Sunil C Shah
- 2 Abhijit B Datta
- 3 Priti K Shah
- 4 Shailesh G Hingarh

VI. 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 Mrs. Pratiti K. Shah, Daughter in Law of Managing Director
- 11 Mrs. Meha R. Shah, Daughter in Law of Managing Director
- 12 Mrs. Aishwarya K. Shah, Daughter in Law of Executive Chairman

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

- 13 Vyomesh M. Shah HUF- Karta Managing Director
- 14 Mahipatray V. Shah HUF- Karta Executive Chairman
- 15 Mahipatray V. Shah Discretionary Trust- Trustees Executive Chairman and Managing Director
- 16 Estate of Mahipatray V Shah – Beneficiaries Executive Chairman and Managing Director

VII. 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 Vishal Nirman (India) Limited
- 4 Buildbyte. Com. (India) Private Limited
- 5 Celeste Joint Venture
- 6 Citygold Management Services Private Limited
- 7 Distinctive Realty Private Limited
- 8 E Commerce Magnum Solution Limited
- 9 Fern Infrastructure Private Limited
- 10 Fourjone Realtors Private Limited
- 11 Helictite Residency Private Limited
- 12 High Scale Trading Private Limited
- 13 Hubtown Solaris Maintenance Private Limited
- 14 Ichha Constructions Private Limited
- 15 Lista City Private Limited
- 16 Merrygold Buildcon Private Limited
- 17 Starzone Developers Private Limited
- 18 Sunmist Builders Private Limited
- 19 Sunstone Developers Joint Venture
- 20 Superaction Realty Private Limited
- 21 Trans Gulf MEP Engineers Private Limited
- 22 Heet Builders Private Limited (from 22nd Feb, 2019)
- 23 Wellgroomed Developers Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

B. Transactions with Related Parties

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|------------|--|----------------------|---------------------|----------------|--|
| i. | Loans and Advances received/ recovered/ adjusted | | | | |
| | Ackruti Safeguard Systems Private Limited | 0.70 | - | - | - |
| | | - | - | - | - |
| | Urvi Build Tech Limited | 978.43 | - | - | - |
| | | (110.00) | - | - | - |
| | Upvan Lake Resorts Private Limited | 10.04 | - | - | - |
| | | - | - | - | - |
| | Vama Housing Ltd | 52.96 | - | - | - |
| | | (1.00) | - | - | - |
| | Vishal Techno Commerce Ltd | 30.00 | - | - | - |
| | | - | - | - | - |
| | Halitious Developer Limited | 108.00 | - | - | - |
| | | - | - | - | - |
| | Diviniti Projects Private Limited | 14.32 | - | - | - |
| | | - | - | - | - |
| | Twenty Five South Realty Limited | - | - | - | - |
| | | - | - | (296.08) | - |
| | Sunstream City Private Limited | - | - | - | - |
| | | - | - | (650.90) | - |
| | Fern Infrastructure Private Limited | - | - | - | 4.00 |
| | | - | - | - | (2,866.21) |
| | Adhivitiya Properties Limited | - | - | - | - |
| | | - | - | - | (1.00) |
| | Vishal Nirman (India) Ltd | - | - | - | - |
| | | - | - | - | (54.34) |
| ii. | Loans and Advances given/ repaid/adjusted | | | | |
| | Twenty Five South Realty Limited | - | - | - | - |
| | | - | - | (71.99) | - |
| | Vama Housing Ltd | 11.86 | - | - | - |
| | | (5.35) | - | - | - |
| | Vishal Techno Commerce Ltd | 1,408.25 | - | - | - |
| | | (9.75) | - | - | - |
| | Fern Infrastructure Private Limited | - | - | - | - |
| | | - | - | - | (150.30) |
| | Urvi Build Tech Limited | 164.59 | - | - | - |
| | | - | - | - | - |
| | India Development And Construction Venture Capital Private Limited | 15.40 | - | - | - |
| | | (0.40) | - | - | - |
| | Rare Townships Private Limited | - | - | 1,355.00 | - |
| | | - | - | - | - |
| | Distinctive Realty Private Limited | - | - | - | 0.20 |
| | | - | - | - | (369.51) |
| | Kunjai Hemant Shah | - | - | - | 908.34 |
| | | - | - | - | - |
| | Rubix Trading Private Limited | - | 2,350.00 | - | - |
| | | - | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|-------------|--|----------------------|---------------------|----------------|--|
| | Adhivitiya Properties Limited | - | - | - | - |
| | | - | - | - | (10.90) |
| iii. | Business Advances received / recovered / adjusted | | | | |
| | Citygold Education Research Ltd. | 75.30 | - | - | - |
| | | (2,028.00) | - | - | - |
| | Citywood Builders Private Limited | 127.00 | - | - | - |
| | | (113.40) | - | - | - |
| | Citygold Farming Private Limited | 6,519.21 | - | - | - |
| | | (1,668.85) | - | - | - |
| | Heet Builders Private Limited | 69.00 | - | - | - |
| | | (95.05) | - | - | - |
| | Headland Farming Private Limited | 134.98 | - | - | - |
| | | (14.00) | - | - | - |
| | Heddle Knowledge Private Limited | 2,064.25 | - | - | - |
| | | (2,071.64) | - | - | - |
| | Vega Developers Private Limited | 35.00 | - | - | - |
| | | (11.00) | - | - | - |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | - | 2,453.61 | - |
| | | - | - | (70.50) | - |
| | Hubtown Bus Terminal (Adajan) Pvt Ltd | - | - | 21.00 | - |
| | | - | - | - | - |
| | Hubtown Bus Terminal (Mehsana) Pvt Ltd | - | - | 34.70 | - |
| | | - | - | (20.00) | - |
| | Sunstream City Private Limited | - | - | 1,829.00 | - |
| | | - | - | (4.00) | - |
| | Joyneest Premises Private Limited | 350.00 | - | - | - |
| | | (2,438.15) | - | - | - |
| | Ackruti Safeguard Systems Private Limited | 15.00 | - | - | - |
| | | (3.50) | - | - | - |
| | Halitious Developer Limited | 509.42 | - | - | - |
| | | - | - | - | - |
| | Citygold Management Services Private Limited | - | - | - | 237.85 |
| | | - | - | - | (375.13) |
| | Giraffe Developers Private Limited | - | 985.00 | - | - |
| | | - | (13,663.75) | - | - |
| iv. | Business Advances given / repaid / adjusted | | | | |
| | Citygold Education Research Ltd. | 48.73 | - | - | - |
| | | (170.90) | - | - | - |
| | Citywood Builders Private Limited | 695.51 | - | - | - |
| | | (2,862.52) | - | - | - |
| | Citygold Farming Private Limited | 35.03 | - | - | - |
| | | (3.20) | - | - | - |
| | Heet Builders Private Limited | 2,903.25 | - | - | - |
| | | (2,776.01) | - | - | - |
| | Headland Farming Private Limited | 110.33 | - | - | - |
| | | (0.50) | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33': Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|------------|--|------------------------|---------------------|------------------------|--|
| | Heddle Knowledge Private Limited | 95.45 (1,132.80) | - - | - - | - - |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | - | 219.50 (182.81) | - - |
| | Hubtown Bus Terminal (Adajan) Pvt Ltd | - | - | 111.00 (449.69) | - - |
| | Hubtown Bus Terminal (Mehsana) Pvt Ltd | - | - | 503.50 (172.44) | - - |
| | Hubtown Bus Terminal (Vadodara) Pvt Ltd | - | - | - (65.98) | - - |
| | Sunstream City Private Limited | - | - | 1,166.17 (1,109.27) | - - |
| | Joyneest Premises Private Limited | 2,901.84 (2,171.60) | - - | - - | - - |
| | Wellgroomed Developers Limited | - | - | - (107.50) | - - |
| | Whitebud Developers Limited | - | 6.75 (5.50) | - - | - - |
| | Yantti Buildcon Private Limited | 28.95 - | - - | - - | - - |
| | Vega Developers Private Limited | - (12.40) | - - | - - | - - |
| | Buildbyte.Com (India) Private Limited | - | - | - | - (39.50) |
| | Starzone Developers Private Limited | - | - | - | - (1.00) |
| | Citygold Management Services Private Limited | - | - | - | 540.88 (740.60) |
| | Adhivitiya Properties Limited | - | - | - | 1.25 - |
| | Giraffe Developers Private Limited | - | - | 9,690.68 - | - - |
| | Shubhsiddhi Builders Private Limited | - | (5.00) | - | - - |
| v. | Interest income on loans/Debenture | | | | |
| | Twenty Five South Realty Limited | - | - | 769.43 (1,213.65) | - - |
| | Joyous Housing Limited | - | - | 26.92 (21.49) | - - |
| | Rare Townships Private Limited | - | - | 51.12 - | - - |
| | Gujarat Ackruti TCG Biotech Limited | 205.12 (175.67) | - - | - - | - - |
| vi. | Directors' Remuneration | | | | |
| | Hemant M. Shah | - | - | - | 78.35 (70.20) |
| | Vyomesh M. Shah | - | - | - | 88.09 (69.05) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33': Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--------------|--|----------------------|---------------------|-------------------------|--|
| vii. | Comission to Non whole-time Directors | | | | |
| | Sunil Shah | - | - | - | 5.08 (4.60) |
| | Abhijit Datta | - | - | - | 5.08 (4.60) |
| | Priti K Shah | - | - | - | 5.08 (4.60) |
| | Shailesh Hingarh (upto 28th Feb, 2019) | - | - | - | 3.39 - |
| | Shirish Gajendragadkar | - | - | - | - (1.92) |
| viii. | Remuneration to Relatives of KMPs | | | | |
| | Rushank Shah | - | - | - | 27.03 (27.03) |
| | Khilen Shah | - | - | - | 27.03 (27.03) |
| | Kushal Shah | - | - | - | 17.68 (6.87) |
| ix. | Contribution in Partner's Current Account | | | | |
| | Celeste Joint Venture | - | - | - | 932.25 - |
| | Akruti Kailash Constructions | - | - | - | - (258.86) |
| | Shreenath Realtors | - | - | - | - (112.00) |
| | Rising Glory Developers | - | - | 3,802.54 (35,304.62) | - - |
| | Akruti Jay Developers | - | - | - (309.48) | - - |
| | Akruti Jay Chandan | - | - | 1,155.74 (694.29) | - - |
| | Sunstone Developers Joint Venture | - | - | 2,035.41 (4,446.58) | - - |
| | Akruti GM JV | - | - | 499.61 (97.12) | - - |
| x. | Amount Withdrawn from Partner's Current Account | | | | |
| | Akruti Jay Developers | - | - | 217.90 (348.28) | - - |
| | Akruti Jay Chandan JV | - | - | - (2,567.09) | - - |
| | Akruti Steelfab Corporation | - | - | - (28.79) | - - |
| | Akruti Kailash Constructions | - | - | 1,936.85 (2,508.33) | - - |
| | Shreenath Realtors | - | - | - (250.00) | - - |
| | Rising Glory Developers | - | - | - (31,290.70) | - - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33': Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--------------|---|----------------------|---------------------|----------------|--|
| | Akruti GM JV | - | - | - | - |
| | | - | - | (217.50) | - |
| | Sunstone Developers JV | - | - | - | - |
| | | - | - | (1,589.35) | - |
| xi. | Sale of properties/rights/Material/services (Net of GST) | | | | |
| | Citywood Builders Private Limited | 825.81 | - | - | - |
| | | - | - | - | - |
| | Twenty Five South Realty Limited | - | - | - | - |
| | | - | - | (154.51) | - |
| | Joynest Premises Private Limited | 38.17 | - | - | - |
| | | - | - | - | - |
| | Joyous Housing Limited | - | - | 920.00 | - |
| | | - | - | - | - |
| | Hubtown Solaris Maintenance Private Limited | - | - | - | 428.97 |
| | Hill View JV | - | - | - | - |
| | | - | - | (1,700.14) | - |
| | Sunstone Developers Joint Venture | - | - | 8,866.79 | - |
| | | - | - | (2,932.11) | - |
| xii. | Purchase of properties/rights/Material/services (Net of GST) | | | | |
| | Citywood Builders Private Limited | 0.05 | - | - | - |
| | | - | - | - | - |
| | Joynest Premises Private Limited | 19.53 | - | - | - |
| | | - | - | - | - |
| | Brainpoint Infotech Private Limited | - | - | - | 72.19 |
| | | - | - | - | - |
| xiii. | On behalf payments made (Including reimbursement of expenses) | | | | |
| | ABP Realty Advisors Private Limited | 0.06 | - | - | - |
| | | - | - | - | - |
| | Citygold Education Research Limited | - | - | - | - |
| | | (2.58) | - | - | - |
| | Citygold Farming Private Limited | - | - | - | - |
| | | (6.44) | - | - | - |
| | Heet Builders Private Limited | - | - | - | - |
| | | (61.86) | - | - | - |
| | Halitious Developer Limited | 32.40 | - | - | - |
| | | - | - | - | - |
| | Heddle Knowledge Private Limited | 3.30 | - | - | - |
| | | - | - | - | - |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | - | - | - |
| | | - | - | (33.04) | - |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | - | - | - |
| | | - | - | (48.46) | - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - | - | 585.53 | - |
| | | - | - | (27.84) | - |
| | Hubtown Bus Terminal (Vadodara) Private Limited | - | - | - | - |
| | | - | - | (32.79) | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33': Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|-------------|---|----------------------|---------------------|----------------|--|
| | Sunstream City Private Limited | - | - | 113.76 | - |
| | | - | - | - | - |
| | Joynest Premises Private Limited | (101.83) | - | - | - |
| | Brainpoint Infotech Private Limited | - | (20.00) | - | - |
| | | - | - | - | - |
| | Yantti Buildcon Private Limited | 0.37 | - | - | - |
| | | - | - | - | - |
| | Distinctive Realty Private Limited | - | - | - | (20.39) |
| | Citygold Management Services Private Limited | - | - | - | - |
| | | - | - | - | (2.46) |
| | Celeste Joint Venture | - | - | - | - |
| | | - | - | - | (394.65) |
| | Giraffe Developers Private Limited | - | 278.99 | - | - |
| | | - | (80.43) | - | - |
| | Wellgroomed Developers Limited | - | - | - | - |
| | | - | - | - | (0.51) |
| | Starzone Developers Private Limited | - | - | - | 0.35 |
| | | - | - | - | - |
| | Buildbyte. Com. (India) Private Limited | - | - | - | 0.51 |
| | | - | - | - | - |
| | Upvan Lake Resorts Private Limited | 3.62 | - | - | - |
| | | - | - | - | - |
| | Akruti Jay Developers | - | - | - | - |
| | | - | - | (1.53) | - |
| xiv. | On behalf payments received/adjusted | | | | |
| | Heet Builders Private Limited | - | - | - | - |
| | | (12.50) | - | - | - |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | - | 248.95 | - |
| | | - | - | (24.00) | - |
| | Joynest Premises Private Limited | (90.86) | - | - | - |
| | ABP Realty Advisors Private Limited | 0.07 | - | - | - |
| | | - | - | - | - |
| | Akruti Jay Developers | - | - | - | - |
| | | - | - | (10.61) | - |
| | Brainpoint Infotech Private Limited | - | - | - | - |
| | | - | (98.34) | - | - |
| | Upvan Lake Resorts Private Limited | 0.21 | - | - | - |
| | | - | - | - | - |
| | Starzone Developers Private Limited | - | - | - | 7.55 |
| | | - | - | - | - |
| | Mahipatray V. Shah HUF | - | - | - | 71.32 |
| | | - | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|------------------|---|----------------------|---------------------|-------------------------|--|
| xv. | Advances/Other Debit balance written off | | | | |
| | India Development And Construction Venture Capital Private Limited | 24.77 | - | - | - |
| | Shreenath Realtors | - | - | (1,361.49) | - |
| | Primeria Co-Ventures | - | - | (0.77) | - |
| | Fern Infrastructure Private Limited | - | - | - | (2,107.01) |
| | Ichha Constructions Private Limited | - | - | - | (1,492.46) |
| | Shubhsiddhi Builders Private Limited | - | 188.56 (747.65) | - | - |
| xvi | Investment write off in Partnership/Joint Venture/Subsidiaries | | | | |
| | Shreenath Realtors | - | - | (775.00) | - |
| | Primeria Co-Ventures | - | - | (1.60) | - |
| | India Development And Construction Venture Capital Private Limited | 5.00 | - | - | - |
| | ABP Realty Advisors Private Limited | 5.00 | - | - | - |
| xvii (a). | Advance received against FSI | | | | |
| | Khilen Shah | - | - | - | 100.00 |
| | Hill View JV | - | - | 2,682.86 | - |
| | Sunstone Developers Joint Venture | - | - | 1,034.35 (12,782.88) | - |
| xvii (b). | Advance received against FSI repaid | | | | |
| | Khilen Shah | - | - | - | 693.94 |
| | Falguni Shah | - | - | - | 616.00 |
| | Kushal Shah | - | - | - | 522.00 |
| | Pratiti Shah | - | - | - | 622.30 |
| | Rushank Shah | - | - | - | 459.55 |
| xviii. | Received against sale | | | | |
| | Sunstone Developers Joint Venture | - | - | 8,866.79 (7,369.60) | - |
| | Fourjone Realtors Private Limited | - | - | - | (74.96) |
| | Heet Builders Private Limited | (79.00) | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--------------|---|----------------------|---------------------|----------------|--|
| xix. | Share of profit from Partnerships/Joint Ventures | | | | |
| | Akruti Jay Chandan JV | - | - | 18.57 | - |
| | | - | - | (41.59) | - |
| | Akruti Jay Developers | - | - | 307.71 | - |
| | | - | - | (257.10) | - |
| | Rising Glory Developers | - | - | 0.55 | - |
| | | - | - | - | - |
| | Sunstone Developers JV | - | - | 15.63 | - |
| | | - | - | - | - |
| | Akruti GM JV | - | - | 0.45 | - |
| | | - | - | (66.45) | - |
| xx. | Share of loss from Partnerships/Joint Ventures | | | | |
| | Akruti Kailash Constructions | - | - | 30.95 | - |
| | | - | - | (32.99) | - |
| | Rising Glory Developers | - | - | - | - |
| | | - | - | (0.06) | - |
| | Sunstone Developers JV | - | - | - | - |
| | | - | - | (6.61) | - |
| | Celeste Joint Venture | - | - | - | 0.26 |
| | | - | - | - | (0.01) |
| xxi. | Corporate guarantees given for loans availed by others | | | | |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | - | 1,263.07 | - |
| | | - | - | - | - |
| | Sunstream City Private Limited | - | - | 65.53 | - |
| | | - | - | (349.47) | - |
| | Twenty Five South Realty Limited | - | - | 12,041.25 | - |
| | | - | - | (63,374.59) | - |
| | Hubtown Bus Terminal (Vadodara) Private Limited | - | - | - | - |
| | | - | - | (27.05) | - |
| | Rare Townships Private Limited | - | - | - | - |
| | | - | - | (177.33) | - |
| | Vishal Techno Commerce Limited | - | - | - | - |
| | | (4,945.79) | - | - | - |
| | Giraffe Developers Private Limited | - | - | - | - |
| | | - | (5,113.53) | - | - |
| xxii. | Corporate Guarantees vacated for loans availed by others | | | | |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | - | 708.49 | - |
| | | - | - | (96.65) | - |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | - | - | - |
| | | - | - | (5,208.14) | - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - | - | 604.93 | - |
| | | - | - | (576.57) | - |
| | Heet Builders Private Limited | - | - | - | - |
| | | (1,012.75) | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------------|---|----------------------|---------------------|------------------|--|
| | Diviniti Project Private Limited | - (5,166.60) | - - | - - | - - |
| | Fern Infrastructure Private Limited | - - | - - | - - | - (5,142.99) |
| | Rare Townships Private Limited | - - | - - | 3,397.91 - | - - |
| | Vishal Techno Commerce Limited | 12,453.14 - | - - | - - | - - |
| | Twenty Five South Realty Limited (formerly known as Hoary Realty Limited) | - - | - - | - (46,774.45) | - - |
| xxiii. | Bank guarantees given on behalf of related parties | | | | |
| | Joynest Premises Private Limited | 30.00 (5.00) | - - | - - | - - |
| xxiv. | Bank Guarantees vacated for loans availed by others | | | | |
| | Citywood Builders Private Limited | 10.00 - | - - | - - | - - |
| | Ackruti Safeguard Systems Private Limited | 150.00 - | - - | - - | - - |
| | Hubtown Bus Terminal (Adajan) Private Limited | - - | - - | 263.45 - | - - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - - | - - | 839.76 - | - - |
| | Hubtown Bus Terminal (Vadodara) Pvt Ltd | - - | - - | 332.13 - | - - |
| | Shreenath Realtors | - - | - - | 10.00 - | - - |
| | Gujarat Ackruti TCG Biotech Limited | 0.10 - | - - | - - | - - |
| xxv. | Sundry Balances written back | | | | |
| | Akruti Steelfab Corporation | - - | - - | - (22.84) | - - |
| xxvi. | Cancellation of Componsation for rights in Project | | | | |
| | Sunstream City Private Limited | - - | - - | - (8,452.86) | - - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33': Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

Balances outstanding

| | Particulars | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--------|---|---|---|
| xxvii. | Payables* | | |
| | Subsidiary companies | | |
| | Joynest Premises Private Limited | - | 2,017.30 |
| | Citygold Farming Private Limited | 7,998.55 | 1,519.14 |
| | Halitious Developer Limited | 509.42 | - |
| | Heddle Knowledge Private Limited | 1,268.14 | - |
| | Upvan Lake Resorts Private Limited | 6.13 | - |
| | Associate companies | | |
| | Giraffe Developers Private Limited | 4,691.84 | 13,650.98 |
| | Vinca Developer Private Limited | 1,060.98 | - |
| | Brainpoint Infotech Private Limited | 186.30 | - |
| | Joint Ventures | | |
| | Hubtown Bus Terminal (Mehsana) Pvt Ltd | - | 267.92 |
| | Hill View JV | 3,432.65 | 1,272.41 |
| | Sunstone Developers JV | 4,982.15 | 7,911.94 |
| | Akruti Jay Developers | 2,537.84 | 2,627.65 |
| | Akruti Jay Chandan Joint Venture | 1,828.94 | 3,042.55 |
| | Akruti Kailash Constructions | 1,575.28 | - |
| | Key management personnel, their relatives and enterprises \$ | | |
| | Citygold Management Services Private Limited | 234.93 | - |
| | Falguni Shah | 267.26 | 884.56 |
| | Hemant Shah | 64.71 | 64.84 |
| | Hemant Shah (HUF) | 30.00 | 30.00 |
| | Vyomesh Shah | 83.85 | 76.26 |
| | Kunjal Shah | 1,687.19 | 1,351.05 |
| | Vishal Nirman (India) Pvt Ltd | 45.34 | 45.34 |
| | Khilen Shah | 28.30 | 622.24 |
| | Kushal Shah | 100.30 | 622.30 |
| | Pratiti Shah | - | 622.30 |
| | Meha Shah | 622.30 | 622.30 |
| | Rushank shah | 162.76 | 622.30 |
| | Mahipatray V. Shah HUF | 71.32 | - |
| | Lata M. Shah | 6.52 | - |
| | Dina Chetan Mody | 0.97 | 0.66 |
| | Helik Advisory Limited | 0.08 | - |
| | E Commerce Magnum Solution Limited | 3,089.50 | - |
| | Sunil C Shah | 25.51 | - |
| | Abhijit B Datta | 8.85 | - |
| | Priti K Shah | 20.20 | - |
| | Shailesh G Hingarh | 6.46 | - |

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, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| | Particulars | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---------|--|---|---|
| xxviii. | Receivables* | | |
| | Subsidiary companies | | |
| | Ackruti Safeguard Systems Private Limited | 1,742.44 | 1,757.42 |
| | ABP Realty Advisors Private Limited | 0.57 | - |
| | Citygold Education Research Ltd. | 2,631.42 | 2,656.41 |
| | Citywood Builders Private Limited | 8,719.93 | 7,197.52 |
| | Devkrupa Build Tech Pvt Ltd | 567.36 | 567.36 |
| | Gujarat Akruiti TCG Biotech Limited | 11.21 | 5.60 |
| | Joynest Premises Private Limited | 553.18 | - |
| | Heddle Knowledge Private Limited | - | 692.94 |
| | Headland Farming Private Limited | 738.04 | 762.69 |
| | Halitious Developers Limited | - | 108.00 |
| | Urvi Build Tech Limited | 222.16 | 1,036.01 |
| | Vama Housing Ltd | 399.95 | 441.05 |
| | Vega Developers Private Limited | 1,026.39 | 1,061.39 |
| | Vishal Techno Commerce Ltd | 1,504.99 | 126.74 |
| | Yantti Buildcon Private Limited | 4,234.40 | 4,205.08 |
| | Diviniti Project Private Limited | - | 14.32 |
| | India Development And Construction Venture Capital Private Limited | - | 0.40 |
| | Associate companies | | |
| | Hubtown Bus Terminal (Mehsana) Pvt Ltd | 736.91 | - |
| | Hubtown Bus Terminal (Surat) Pvt Ltd | 0.45 | 0.45 |
| | Rubix Trading Private Limited | 2,350.00 | - |
| | Whitebud Developers Limited | 920.87 | 914.12 |
| | Brainpoint Infotech Private Limited | - | 117.11 |
| | Joint Ventures | | |
| | Hubtown Bus Terminal (Adajan) Pvt Ltd | 2,881.86 | 2,175.91 |
| | Hubtown Bus Terminal (Ahmedabad) Pvt Ltd | 260.40 | 2,456.95 |
| | Hubtown Bus Terminal (Vadodara) Pvt Ltd | 330.65 | 333.65 |
| | Joyous Housing Limited | 1,039.83 | 1,016.89 |
| | Sunstream City Private Limited | 1,411.35 | 1,966.89 |
| | Twenty Five South Realty Limited | 3,077.70 | 3,077.70 |
| | Rare Townships Private Limited | 1,356.89 | - |
| | Rising Glory Developers | 17,615.21 | 13,812.11 |
| | Akruti GM JV | 2,243.40 | 2,223.40 |
| | Sunstone Developers JV | 6,921.98 | - |
| | Akruti Kailash Constructions | - | 392.52 |
| | Wellgroomed Developers Limited | - | 2,269.38 |
| | Key management personnel, their relatives and enterprises | | |
| | Adhivitiya Properties Limited | 834.40 | 833.15 |
| | Buildbyte.Com (India) Private Limited | 82.60 | 87.35 |
| | Citygold Management Services Private Limited | - | 143.52 |
| | Fern Infrastructure Private Limited | 2.76 | - |
| | Lista City Private Limited | 40.41 | 40.41 |
| | Sunmist Builders Private Limited | 52.28 | 52.28 |
| | Superaction Realty Private Limited | 90.03 | 90.08 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33': Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Particulars | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Trans Gulf Mep Engineers Private Limited | 8.61 | 8.61 |
| Starzone Developers Private Limited | 237.85 | 245.40 |
| Fourjone Realtors Private Limited | 34.00 | 4,440.73 |
| Merrygold Buildcon Private Limited | - | 9.36 |
| Vishal Nirman (India) Pvt Ltd | - | - |
| Distinctive Realty Private Limited | 332.33 | 332.13 |
| High Scale Trading Private Limited | 375.00 | - |
| Helictite Residency Private Limited | 1.00 | - |
| E Commerce Magnum Solutions Limited | 146.30 | - |
| Hubtown Solaris Maintenance Private Limited | 498.91 | - |
| Celeste Joint Venture | 18,409.71 | 13,035.53 |

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--------------|--|----------------------|---------------------|----------------|--|
| xxix. | Corporate guarantees given for loans availed by others (Amount outstanding there against) | | | | |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | - | 3,132.36 | - |
| | | - | - | (3,840.85) | - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - | - | 3,244.77 | - |
| | | - | - | (3,849.70) | - |
| | Hubtown Bus Terminal (Vadodara) Private Limited | - | - | 4,430.68 | - |
| | | - | - | (4,430.68) | - |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | - | 5,625.53 | - |
| | | - | - | (4,362.46) | - |
| | Sunstream City Private Limited | - | - | 4,306.98 | - |
| | | - | - | (4,241.45) | - |
| | Citywood Builders Private Limited | 3,017.50 | - | - | - |
| | | (3,017.50) | - | - | - |
| | Twenty Five South Realty Limited | - | - | 75,415.84 | - |
| | | - | - | (63,374.59) | - |
| | Rare Townships Private Limited | - | - | 2,921.09 | - |
| | | - | - | (6,319.00) | - |
| | Vishal Techno Commerce Ltd | 16,310.77 | - | - | - |
| | | (28,763.91) | - | - | - |
| | Giraffe Developers Private Limited | - | 5,113.53 | - | - |
| | | - | (5,113.53) | - | - |
| xxx. | Bank guarantees given on behalf of related parties | | | | |
| | Citywood Builders Private Limited | - | - | - | - |
| | | (10.00) | - | - | - |
| | Joynest Premises Private Limited | 725.00 | - | - | - |
| | | (695.00) | - | - | - |
| | Sunstream City Private Limited | - | - | 10.00 | - |
| | | - | - | (10.00) | - |
| | Ackruti Safeguard Systems Private Limited | - | - | - | - |
| | | (150.00) | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '33' : Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------------|---|----------------------|---------------------|----------------|--|
| | Hubtown Bus Terminal (Adajan) Private Limited | - | - | 105.38 | - |
| | | - | - | (368.83) | - |
| | Hubtown Bus Terminal (Vadodara) Private Limited | - | - | - | - |
| | | - | - | (332.13) | - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - | - | - | - |
| | | - | - | (839.76) | - |
| | Shreenath Realtors Private Limited | - | - | - | - |
| | | - | - | (10.00) | - |
| xxxi. | Personal Guarantee of Directors towards loans availed by the company | | | | |
| | Banks | - | - | - | 15,673.26 |
| | | - | - | - | (17,230.22) |
| | Debenture Trustees | - | - | - | 2,086.04 |
| | | - | - | - | (2,069.72) |
| | Financial Institution | - | - | - | 19,540.54 |
| | | - | - | - | (20,790.65) |
| | Company | - | - | - | 16,916.78 |
| | | - | - | - | (15,200.00) |
| xxxii. | Guarantees / Securities given by way of shares in the Company pledged against loans availed by the Company | - | - | - | 40,877.05 |
| | | - | - | - | (40,877.05) |

Footnote:

- Previous year figures are given in brackets.
- Related party relationships are as 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, 2019 (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, 2019 | | | |
|------------|--|------------------------|---------------------------------|---|--|
| | | Balance at the end | Maximum balance during the year | Shares held by loanee in the Company | |
| | | (₹ in lakhs) | (₹ in lakhs) | No. of shares outstanding at the year end | Maximum No. of shares held during the year |
| I. | Subsidiaries (Refer footnote a) | | | | |
| 1. | Halitious Developer Limited | - (108.00) | 108.00 (108.00) | - - | - - |
| 2. | Vama Housing Limited | 399.95 (441.05) | 441.05 (441.05) | - - | - - |
| 3. | Devkrupa Build Tech Private Limited | 567.36 (567.36) | 567.36 (567.36) | - - | - - |
| 4. | Diviniti Projects Private Limited | - (14.32) | 14.32 (14.32) | - - | - - |
| 5. | Vishal Techno Commerce Limited | 1,504.99 (126.74) | 1,504.99 (126.74) | - - | - - |
| 6. | Urvi Build Tech Limited | 222.16 (1,036.00) | 1,036.01 (1,146.01) | - - | - - |
| 7. | Upvan Lake Resorts Private Limited | 1.14 (-) | 1.14 (-) | - - | - - |
| II. | Joint Ventures | | | | |
| 1. | Joyous Housing Limited | 964.65 (940.42) | 964.65 (940.42) | - (-) | - (-) |
| 2. | Twenty Five South Realty Limited | 3,077.70 (2,464.20) | 3,077.70 (2,464.20) | - (-) | - (-) |
| 3. | Rare Townships Private Limited | 1,355.00 (-) | 1,355.00 (-) | - (-) | - (-) |

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, 2019 (CONTD.)

B. Project Advances (Refer Footnote a)

| Sr. No. | Name of the Loanee | 31st March, 2019 | | | |
|-------------|---|------------------------|---------------------------------|---|--|
| | | Balance at the end | Maximum balance during the year | Shares held by loanee in the Company | |
| | | (₹ in lakhs) | (₹ in lakhs) | No. of shares outstanding at the year end | Maximum No. of shares held during the year |
| I. | Subsidiaries | | | | |
| 1. | Gujarat Akruti-TCG Biotech Limited | 5.60 (5.60) | 5.60 (5.60) | - | - |
| 2. | Yantti Buildcon Private Limited | 3,971.03 (3,942.08) | 3,971.03 (3,942.08) | - | - |
| 3. | Upvan Lake Resorts Private Limited | - | - | - | - |
| 4. | Heddle Knowledge Private Limited | - (692.94) | 692.94 (1,631.78) | - | - |
| 5. | Citygold Education Research Limited | 2,630.24 (2,653.83) | 2,684.01 (4,839.18) | - | - |
| 6. | Citygold Farming Private Limited | - | - (140.07) | - | - |
| 7. | Headland Farming Private Limited | 738.04 (762.69) | 762.69 (776.19) | - | - |
| 8. | Joynest Premises Private Limited | 452.24 | 452.24 | - | - |
| 9. | Vega Developers Private Limited | 1,026.39 (1,061.39) | 1,061.39 (1,072.39) | - | - |
| 10. | Ackruti Safeguard Systems Private Limited | 1,742.39 (1,757.44) | (1,757.44) (1,757.44) | - | - |
| 11. | Citywood Builders Private Limited | 7,766.03 (7,197.52) | 7,766.03 (7,197.52) | - | - |
| 12. | Heet Builders Private Limited (upto 22nd Feb, 2019) | - (2,680.96) | 7,005.40 (2,680.96) | - | - |
| II. | Associates | | | | |
| 1. | Whitebud Developers Limited | 920.87 (914.12) | 920.87 (914.12) | - | - |
| 2. | Shubhsiddhi Builders Private Limited | - | - (742.65) | - | - |
| III. | Joint Ventures | | | | |
| 1. | Sunstream City Private Limited | 1,208.46 (1,823.29) | 1,981.35 (1,967.85) | - | - |
| 2. | Twenty Five South Realty Limited | - | - | - | - |
| 3. | Hubtown Bus Terminal (Vadodara) Private Limited | 220.98 (220.98) | 220.98 (220.98) | - | - |
| 4. | Hubtown Bus Terminal (Mehsana) Private Limited | 123.54 | 396.03 | - | - |
| 5. | Hubtown Bus Terminal (Surat) Private Limited | 0.45 (0.45) | 0.45 (0.45) | - | - |
| 6. | Hubtown Bus Terminal (Ahmedabad) Private Limited | - (2,033.26) | 2,136.26 (2,033.26) | - | - |
| 7. | Hubtown Bus Terminal (Adajan) Private Limited | 2,402.85 (1,910.84) | 2,402.85 (1,910.84) | - | - |

Footnotes:

- Interest free advances
- Previous year figures are given in brackets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '35'

In the opinion of The Board of Directors of the Company, all items of Current Assets, Current Liabilities and Loans and Advances continue to have a realizable value of at least the amounts at which they are stated in the balance sheet.

Note '36'

CONTINGENT LIABILITIES AND COMMITMENTS (NOT PROVIDED FOR) :

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| (i) (A) Claims against the Company not acknowledged as debts on account of : | | |
| 1) Income tax and MVAT matters under appeal | 5,320.66 | 2,242.29 |
| 2) Towards pending legal cases | 89,924.07 | 57,291.93 |
| (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 there against.) (Refer Footnote c) | 123,519.07 | 98,457.50 |
| (ii) Other commitments : | | |
| (a) Bank Guarantees against own projects | 1,075.93 | 995.00 |
| (b) Bank Guarantees given on behalf of subsidiaries, Joint ventures, etc. | 138.29 | 1,448.49 |
| (c) Towards amounts to be deposited against undertaking given to the Hon'ble Sessions Court (Refer footnote a to Note 18 Current Borrowings) | 5,900.00 | 5,900.00 |
| (iii) Disputes and Differences have arisen between Company (as promoters of one of the joint ventures namely Rare Townships Private Limited) and investors (IL&FS and IIRF) on the issue of exercising put option by the investor which the promoter has challenged. The investors has invoked Arbitration clause of share subscription and shareholders agreement on the said matter. | Amount unascertainable | - |

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 include corporate guarantees issued by the Company and are relied upon by the Auditors.
- The management is of the view that it was necessary to provide the corporate guarantees to further the business interest of the Company in the entities on whose behalf such guarantees have been provided and the management is of the view that there would be no sustainable claims on the Company in respect of these corporate guarantees.

The rate of interest, processing fees, any other charges levied by the lenders on the entities availing loans are based on internal guidelines of the lenders depending on the merits of the underlying projects and their estimated cash flows. Majority of the corporate guarantees issued by the Company are basically to provide comfort by the Company as a shareholder of the Borrower entity to the Lenders. These corporate guarantees, in any case, do not result in any additional benefits to the borrowers. Accordingly, the financial liability on account of financial guarantee contracts have not been fair valued as these are expected to be immaterial.

Note '37'

Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity/real estate risk. Major financial instruments affected by market risk include loans and borrowings.

a) Interest rate risk

Majority of the long-term borrowings of the Company bear fixed interest rate, thus interest rate risk is limited for the Company.

b) Foreign currency risk

The Company is engaged in real estate business and only imports certain material against Letter of Credit for which hedging instruments are not required.

c) Equity price risk

The Company's equity securities are not majorly susceptible to market price risk. However, the Company's Board of Directors reviews and approves all equity investment decisions after exercising due diligence which may minimise the market related risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

2) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, cash and cash equivalents and receivable from group companies.

- Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.
- Receivables resulting from other than sale of properties: Credit risk related to such receivables is managed as per Company's established policy, procedures and control. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major receivables. The Company does not hold collateral as security. The Companies credit period generally ranges from 30 to 90 days.
- Credit risk on cash and cash equivalents is limited as the Company generally invests deposit with banks which have high credit ratings.

3) Liquidity risk

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Note '38'

Disclosure of derivatives

- No derivative instrument was outstanding at the end of the year.
- Uncovered risks in foreign currency transactions disclosed as at:

| Particulars | 31st March, 2019 | 31st March, 2018 |
|-----------------------|------------------|------------------|
| Cash on Hand | | |
| USD | 2,982 | 2,982 |
| INR | 206,597 | 193,585 |
| EURO | 2,000 | 2,000 |
| INR | 155,477 | 159,942 |
| UK POUND | 925 | 925 |
| INR | 83,583 | 84,257 |
| SG\$ | 165 | 165 |
| INR | 8,367 | 8,170 |
| HKD | 200 | 200 |
| INR | 1,765 | 1,654 |
| AED | 9,183 | 5,759 |
| INR | 173,222 | 128,094 |
| KWD | 1 | 1 |
| INR | 227 | 215 |
| Trade Payables | | |
| USD | 4,725 | 4,725 |
| INR | 327,354 | 306,738 |
| SG\$ | 26,675 | 26,675 |
| INR | 1,352,732 | 1,320,861 |
| Advances to Suppliers | | |
| USD | 33,900 | 93,704 |
| INR | 2,493,149 | 6,015,089 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '39'

Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the company's management is to maximise shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may issue new shares. Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total net debt (borrowings offset by cash and cash equivalents) divided by total capital of the company.

Gearing Ratio

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings.

The gearing ratio at the reporting period was as follows:

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|--|---|
| Borrowings including current maturities | 64,268.68 | 63,337.61 |
| Interest accrued and due/and but not due | 7,789.90 | 9,583.35 |
| Unpaid matured debentures and interest accrued thereon | 2,086.04 | 2,199.01 |
| Total Debt | 74,144.62 | 75,119.97 |
| Less: Cash and cash equivalents | 1,945.28 | 1,414.17 |
| Net Debt (A) | 72,199.34 | 73,705.80 |
| Equity Share Capital | 7,273.59 | 7,273.59 |
| Other Equity | 166,156.85 | 168,214.17 |
| Total Equity (B) | 173,430.44 | 175,487.76 |
| Debt Equity Ratio (A/B) | 0.42 | 0.42 |

Note '40'

Categories of Financial Instruments

Fair Value measurement

| | 31st March, 2019 | | 31st March, 2018 | |
|--------------------------------|------------------|-------------------|------------------|-------------------|
| | FVPL / FVOCI | Amortised Cost | FVPL / FVOCI | Amortised Cost |
| Financial Assets | | | | |
| Investments | 4.50 | 98,841.90 | 153.47 | 98,636.78 |
| Trade receivables | - | 31,906.97 | - | 35,055.70 |
| Cash and cash equivalents | - | 1,945.28 | - | 1,414.17 |
| Bank balances other than above | - | 532.14 | - | 140.31 |
| Loans | - | 10,258.06 | - | 7,840.32 |
| Other financial assets | - | 82,261.69 | - | 83,913.79 |
| Total | 4.50 | 225,746.04 | 153.47 | 227,001.07 |
| Financial Liabilities | | | | |
| Borrowings | - | 30,831.71 | - | 33,324.88 |
| Trade payables | - | 11,946.32 | - | 10,389.45 |
| Other financial liabilities | - | 103,084.54 | - | 101,428.26 |
| Total | - | 145,862.57 | - | 145,142.59 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note '41'

The Company has applied the modified retrospective approach to its real estate residential contracts that were not completed as of 1 April, 2018 and has given impact of adoption of Ind AS 115 by debiting to retained earnings as at the said date by ₹ 1,379.04 (net of tax). Accordingly the comparatives have not been restated and hence, the current year figures are not comparable to the previous year figures for the below mentioned accounts:

On account of adoption of Ind AS 115, the following accounts have an impact on their opening balance as at 1 April 2018

| | (₹ in lakhs) | (₹ in lakhs) |
|---|--------------------|-------------------|
| I. Surplus in the Statement of Profit and Loss | | |
| As at 31st March, 2018 | | 74,503.05 |
| Revenue on account of adoption of Ind AS 115 | (26,451.67) | |
| Cost on account of adoption of Ind AS 115 | 24,365.69 | |
| Deferred tax asset recognised on loss made on account of Ind AS 115 | 706.95 | (1,379.03) |
| As at 1st April, 2018 | | 73,124.02 |
| II. Inventories - Work in progress | | |
| As at 31 March, 2018 | | 94,569.85 |
| Cost on account of adoption of Ind AS 115 | | 24,365.69 |
| As at 1st April, 2018 | | 118,935.54 |
| III. Advance from customers | | |
| As at 31 March, 2018 | | 40,775.69 |
| On account of adoption of Ind AS 115 | | 26,387.21 |
| As at 1st April, 2018 | | 67,162.90 |

Note '42'

Loans and advances, other receivables, debtors and creditors are subject to confirmations and are considered payable / realisable, as the case may be.

Note '43'

As the Company Secretary was out of India, he could not attend the Board Meeting dated May 28, 2019 in which the Audited Financial Statements were approved and hence he could not sign the said Financial Statements.

Note '44'

Previous Year figures have been regrouped/reclassified whenever necessary to make them comparable with current year figures in the Financial Statements

As per our report of even date

For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL

PARTNER
Membership No. 109049
Mumbai
Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai
Date: May 28, 2019

INDEPENDENT AUDITORS' REPORT

To The Members of Hubtown Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated financial statements of Hubtown Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the Consolidated state of affairs (Consolidated financial position) of the Group and its associates and joint ventures as at 31 March 2019, and its Consolidated loss (including other comprehensive income), its Consolidated cash flows and the Consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 paragraph (a) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated financial statements.

- a) As stated in Footnote (a) to Note 29 to the Consolidated financial statement for the year, with regards the Holding Company not having provided for Interest amounting to ₹ 21,713.04 lakhs on certain Inter-corporate deposits. Consequent to above, finance cost for the year ended 31 March, 2019 has been understated by ₹ 21,713.04 lakhs resulting in a consequential decrease in the losses for the year ended 31 March, 2019.
- b) As stated in Footnote (b) to Note 24 to the consolidated financial statement for the year ended 31 March, 2019 with regards the Holding company not having recognized finance Income from Deep Discount bond held in one of its Joint Venture entities. Consequently, Finance Income for the year ended 31 March, 2019 is understated by ₹ 22,025.05 lakhs. Further losses for the year ended is overstated to that extent.

Emphasis of Matters

We draw Attention to:

- a) Note 2 (II) (b) (ii) The Consolidated financial statements, regarding to recognition of expense for ongoing projects which, based upon estimated costs, is as per the judgment of the management and have been relied upon by us, these being technical matters.
- b) Footnote (a) to note 14 to the Consolidated financial statement, regarding the status of the projects and the opinion framed by the Company's management regarding realizable value of the costs incurred which, being a technical matter is relied upon by us.
- c) Note 33 (C) of the Consolidated financial statement, regarding Corporate guarantees issued and securities provided aggregating ₹ 1,07,208.30 lakhs by the Group to banks and financial institutions on behalf of various entities, which are significant in relation to the losses for the year and the net worth of the group. In the opinion of the Management, these are not expected to result into any financial liability to the Group.
- d) Footnote (c) to Note 33 of the Consolidated financial statements regarding the above corporate guarantees issued and securities provided are disclosed at amounts outstanding as at 31 March, 2019. The financial liabilities on account of such financial guarantee contracts have not been measured at fair value as management is of the opinion that there is no material benefit which is expected to accrue to the borrowers on behalf of whom the group has provided the corporate guarantees.
- e) Footnote (b) to note 33 of the Consolidated financial statement, regarding reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities of the Company.
- f) Note 41 of the Consolidated financial statement, regarding balances that are subject to confirmations, reconciliation and adjustments, if any.
- g) Footnote (a) to note 20 of the Consolidated financial statement, regarding the Holding Company's default in redemption of non-convertible debentures along with interest amounting to ₹ 2,086.04 lakhs. We are however informed by the management that the company is in the process of negotiation for settlement / redemption of the said debentures.
- h) Footnote (a) to note 18 of Consolidated financial statement, regarding the Holding company has not created investments to the extent of 15% of the value of the such 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.
- i) Footnote (i) to note 7 of the Consolidated financial statement, regarding the Company's investments in certain jointly controlled entities and associates as at 31 March, 2019 which have incurred losses and carry an eroded net worth as at 31 March, 2019.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the Consolidated

financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How the matter was addressed in our audit |
|--|--|
| <p>Revenue Recognition</p> <p>Refer note 2(III) to standalone financial statements</p> <p>Revenues from sale of residential units represent the largest portion of the total revenues of the Company. Revenue is recognized upon transfer of control of residential units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The point of revenue recognition is normally on handover of the unit to the customer on completion of the project, post which the contract becomes non-cancellable by the parties. The Company records revenue at a point in time upon transfer of control of residential units to the customers.</p> <p>Due to the large volume of the Company's projects, there is a risk that revenue could be overstated or understated. Since revenue recognition has direct impact on the Company's profitability, this matter has been identified as Key Audit Matter for the current year audit.</p> | <p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluating that the company's revenue recognition accounting policies are in line with the applicable accounting standards and their application to customer contracts including consistent application; • Identify and test operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters and controls over collection from customers; • For samples selected, verifying underlying documents like handover letter, sale agreement signed by the customer and the collections; • Cut off procedure for determination of revenue in the appropriate reporting period; • Conducting site visit during the year for selected projects to understand the scope, nature and status of the projects and to assess the progress of the projects; and • Considering the adequacy of disclosure in note to the standalone financial statements in respect of the judgments taken in recognizing revenue. |

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated state of affairs (Consolidated financial position), Consolidated profit or loss (Consolidated financial performance including other comprehensive income), Consolidated changes in equity and Consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. 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 Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- We did not audit the financial statements of eleven subsidiaries, whose financial statement reflect (before inter-company elimination) total assets of ₹ 33,468 Lakhs as at 31st March, 2019, total revenue of ₹ 110 Lakhs and net cash flow amounting to ₹ (90.15) lakhs, for the year ended on that date, as considered in the consolidated financial statement. The consolidated financial statement also include the Group's share of net profit/(loss) (including other comprehensive income) of ₹ (126) Lakhs for the year ended 31 March, 2019, as considered in the consolidated financial statement, in respect of four joint ventures not audited by us. Further we also did not audit the financial of two associates, whose aggregate share of net profit/ (loss) amounting to ₹ NIL 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 statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and Joint Ventures is based solely on the reports of the other auditors.
- We did not audit the financial statements of ten subsidiaries, whose financial information reflect (before inter-company elimination) total assets of ₹ 1,00,213 Lakhs as at 31st March, 2019, total revenue of ₹ 4,683 Lakhs and net cash flow amounting to ₹ (743.38) lakhs for the year ended on that date, as considered in the consolidated financial statement. The consolidated financial statement also include the Group's share of net profit/(loss) (including other comprehensive income) of ₹ (159) Lakhs for the year ended 31 March, 2019, as considered in the consolidated financial statement, in respect of three joint ventures, whose financial statements have not been audited by us. Further we also did not audit the financial statements of two associates, whose aggregate share of net profit amounting to ₹ 275 lakhs are also included in the consolidated financial statement. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures are based solely on such unaudited financial information.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors and financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph (a) in Other Matters section above, on separate financial statements of the subsidiaries, associates and joint ventures, we report that the Holding Company, subsidiaries, associates and joint ventures covered under the act and referred to in paragraph (a) in Other Matters section above, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- The Consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated financial statements;
- In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of other statutory auditors of its subsidiary companies, associate companies and joint venture companies covered under the Act and referred to in paragraph (a) in Other Matters section above, none of the directors of the Group Companies, its associate companies and joint venture companies covered under the Act, are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate Report in Annexure "A"; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statement as also the other financial information of the subsidiaries, associates and joint ventures:
 - The Consolidated financial statements disclose the impact of pending litigations, if any on the Consolidated financial position of the Group, its associates and joint ventures ;
 - The Holding Company and its subsidiary companies, associate companies and joint venture companies did not have any long term contracts including derivative contracts as at 31 March, 2019 for which there were any material foreseeable losses; and
 - 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 joint venture companies during the year ended 31 March 2019.

For **M H DALAL & ASSOCIATES**
Firm Registration No.: 112449W
Chartered Accountants

DEVANG DALAL
Partner

Membership No.:109049

Place: Mumbai
Date: May 28, 2019

INDEPENDENT AUDITORS' REPORT (CONTD.)

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE TO THE
MEMBERS OF HUBTOWN LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

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 Hubtown Limited (‘the Holding Company’) and its subsidiaries, (‘the Holding Company and its subsidiaries together referred to as ‘the Group’), its associates and its joint ventures as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint venture companies, which are companies covered under the Act, as at that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, associate companies and joint venture companies which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India (‘the 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 the company’s business, including adherence to the respective company’s policies, the safeguarding of it’s 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 internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint venture companies as aforesaid, based on our audit. We conducted our audit in accordance with the guidance note on Internal Financial Controls over Financial Reporting (‘the Guidance Note’) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 were 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 control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence and financial information we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint venture companies as aforesaid.

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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial control over financial reporting of its subsidiary companies, its associate companies and jointly venture companies, which are companies covered under the Act, 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, 2019, 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

We did not audit the internal financial controls over financial reporting of eleven subsidiaries, whose financial statement reflect (before inter-company elimination) total assets of ₹ 33,468 Lakhs as at 31st March, 2019, total revenue of ₹ 110 Lakhs and net cash flow amounting to ₹ (90.15) lakhs for the year ended on that date, as considered in the consolidated financial statement. The consolidated financial statement also include the Group's share of net profit/(loss) (including other comprehensive income) of ₹ (126) Lakhs for the year ended 31 March, 2019, in respect of four joint ventures whose internal financial controls over financial reporting have not been audited by us. Further we also did not audit the internal financial controls over financial reporting of two associates, whose aggregate share of net profit/ (loss) amounting to ₹ NIL lakhs are also included in the consolidated financial statements. The internal financial controls over financial reporting in so far as it relates to such subsidiary companies, associate companies and joint venture companies have been audited by other auditors whose reports have been furnished to us by the management and our report under Section 143(3)(i) of the Act in so far as it relates to adequacy and operating effectiveness of the internal financial controls over financial reporting of such companies as aforesaid is based solely on the reports of the other auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **M H DALAL & ASSOCIATES**
Firm Registration No.: 112449W
Chartered Accountants

DEVANG DALAL

Partner
Membership No.:109049

Place: Mumbai
Date: May 28, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

| Particulars | Note No. | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|----------|--|--|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, plant and equipment | 4 | 3,882.90 | 3,161.99 |
| (b) Capital work-in-progress | 4 | 1,422.17 | 1,190.74 |
| (c) Investment properties | 5 | 3,910.26 | 4,021.57 |
| (d) Goodwill on consolidation | | 962.21 | 1,800.79 |
| (e) Intangible assets | 6 | 26.73 | 30.37 |
| (f) Financial assets | | | |
| (i) Investments | 7 | 1,59,306.73 | 1,70,510.21 |
| (ii) Loans | 9 | 16,616.91 | 1,080.34 |
| (iii) Other financial assets | 10 | 269.23 | 702.91 |
| (g) Current tax assets (Net) | 11 | 1,338.14 | 3,404.25 |
| (h) Deferred tax assets (Net) | 12 | 4,140.84 | 4,445.98 |
| (i) Other non-current assets | 13 | 2,655.81 | 4,352.79 |
| Total Non-Current Assets | | 1,94,531.93 | 1,94,701.94 |
| Current Assets | | | |
| (a) Inventories | 14 | 1,47,842.79 | 1,66,808.52 |
| (b) Financial assets | | | |
| (i) Investments | 7 | 2,546.07 | 216.49 |
| (ii) Trade receivables | 8 | 31,482.85 | 45,073.69 |
| (iii) Cash and cash equivalents | 15 | 3,271.73 | 2,220.00 |
| (iv) Bank balances other than (iii) above | 16 | 1,741.80 | 837.72 |
| (v) Loans | 9 | 10,273.87 | 8,469.75 |
| (vi) Other financial assets | 10 | 65,973.01 | 62,676.65 |
| (c) Other current assets | 13 | 14,920.67 | 6,835.01 |
| Total Current Assets | | 2,78,052.79 | 2,93,137.83 |
| TOTAL ASSETS | | 4,72,584.72 | 4,87,839.77 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 17 | 7,273.59 | 7,273.59 |
| (b) Other equity | 18 | 1,52,951.44 | 1,54,900.62 |
| Equity attributable to the Owners of the Parent | | 1,60,225.03 | 1,62,174.21 |
| Non-Controlling Interest | | 2,190.97 | 2,227.10 |
| Total Equity | | 1,62,416.00 | 1,64,401.31 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 26,344.19 | 39,206.50 |
| (ii) Other Financial Liabilities | 20 | 18,891.61 | 21,677.96 |
| (b) Provisions | 21 | 225.25 | 213.35 |
| (c) Deferred Tax Liabilities | 12 | 416.01 | 336.32 |
| Total Non-Current Liabilities | | 45,877.06 | 61,434.13 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 25,900.61 | 27,074.61 |
| (ii) Trade payables | 22 | 17,748.29 | 16,663.28 |
| (iii) Other financial liabilities | 20 | 1,13,357.94 | 1,15,650.53 |
| (b) Other current liabilities | 23 | 1,06,836.00 | 1,02,242.54 |
| (c) Provisions | 21 | 385.47 | 329.03 |
| (d) Current Tax Liabilities | 11 | 63.35 | 44.34 |
| Total Current Liabilities | | 2,64,291.66 | 2,62,004.33 |
| Total Liabilities | | 3,10,168.72 | 3,23,438.46 |
| TOTAL EQUITY AND LIABILITIES | | 4,72,584.72 | 4,87,839.77 |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **M H DALAL AND ASSOCIATES**

Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL

PARTNER

Membership No. 109049

Mumbai

Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai

Date: May 28, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

| Particulars | Note No. | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---|----------|--|--|
| I INCOME | | | |
| Revenue from Operations | 24 | 47,078.08 | 56,268.17 |
| Other Income | 25 | 7,809.54 | 29,053.68 |
| TOTAL INCOME | | 54,887.62 | 85,321.85 |
| II EXPENSES | | | |
| Costs Of Construction / Development | 26 | 15,526.79 | 17,112.22 |
| Purchase of Stock-in-Trade | | 621.74 | 809.63 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 27 | 5,512.24 | (68.43) |
| Employee Benefits Expense | 28 | 2,366.43 | 2,213.50 |
| Finance Costs | 29 | 21,832.57 | 35,092.62 |
| Depreciation and Amortisation Expenses | 30 | 315.20 | 316.97 |
| Other Expenses | 31 | 7,898.62 | 32,325.50 |
| Impairment of goodwill | | 845.26 | 23.02 |
| TOTAL EXPENSES | | 54,918.85 | 87,825.04 |
| Profit/(Loss) before Tax | | (31.23) | (2,503.18) |
| Exception Items (Net off tax) | | - | 1.00 |
| Tax Expense | | | |
| (a) Current Tax | | (2.21) | (599.82) |
| (b) Deferred tax (charge) / credit | | (1,034.30) | 990.17 |
| (c) Excess / (Short) provision for taxation in respect of earlier years | | (114.73) | (158.85) |
| | | (1,151.24) | 231.50 |
| Profit/ (Loss) after tax but before adjustments | | (1,182.47) | (2,270.68) |
| Share Of Profit /(Loss) From Associate / JV using equity method | | (368.66) | (365.11) |
| Profit / (Loss) for the year | | (1,551.13) | (2,635.79) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to profit or loss | | | |
| Share of OCI from Associates / JVs | | 31.17 | 3.70 |
| Remeasurement of the net defined benefit liability / asset | | 5.99 | 4.05 |
| Total other Comprehensive Income | | 37.16 | 7.75 |
| Total Comprehensive Income/(Loss) for the year | | (1,513.97) | (2,628.04) |
| Total Comprehensive Income/(Loss) for the year attributable to: | | | |
| Non controlling interest | | (47.29) | (19.23) |
| Owners of the parent | | (1,466.68) | (2,608.81) |
| Earning per equity share of nominal value of ₹ 10/- each (in Rupees) | 32 | | |
| Basic and Diluted | | (2.07) | (3.60) |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049
Mumbai
Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai
Date: May 28, 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

| Particulars | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---|--|--|
| CASH FLOWS ARISING FROM OPERATING ACTIVITIES | | |
| Net Profit before taxation as per Statement of Profit and Loss | (31.23) | (2,503.18) |
| Add / (Less) : | | |
| Remeasurement of the net defined benefit liability / asset | 37.16 | 7.75 |
| Investment written off | - | 4,976.60 |
| Gain on Investments measured at FVTPL | (16.34) | (8.70) |
| Provision for doubtful debts and advances | - | 76.20 |
| Advances and other debit balances written off | 729.55 | 10,107.54 |
| Unwinding of interest free loan | (36.79) | (32.34) |
| Unwinding of Security Deposit | - | (140.44) |
| Sundry credit balances appropriated | (44.98) | (63.24) |
| Provision for doubtful debts written back | (28.50) | (1.60) |
| Bad debts | 91.32 | 19.88 |
| Finance costs | 21,832.57 | 35,092.62 |
| Share of (Profit) / Loss from investment in partnership firms and JVs | (368.66) | (325.36) |
| Amortisation / adjustment of goodwill | 845.26 | 23.02 |
| Depreciation and amortisation | 315.20 | 316.97 |
| Project expenses written off / amortised | 107.63 | 2,568.54 |
| (Profit) / Loss on sale of fixed assets (Net) | (0.42) | (1,133.08) |
| (Profit) / Loss on sale of investments | (686.92) | - |
| Liabilities written back to the extent no longer required | (687.06) | (760.41) |
| Interest Income on financial asset at amortised cost | (307.71) | (253.61) |
| Interest income | (1,268.36) | (1,707.01) |
| Loss on Cancellation of Sale of shares in Joint ventures | - | 142.31 |
| Cancellation/Compensation for rights in Project | - | 8,452.86 |
| Interest income on financial liabilities measured at fair value | (2,455.75) | (284.84) |
| Income on account of OTS | (2,870.63) | (14,714.04) |
| Interest write back | (751.28) | (6,971.32) |
| Interest waiver | - | (313.63) |
| | 14,435.29 | 35,074.68 |
| Operating profit before working capital changes | 14,404.06 | 32,571.50 |
| Add / (Less) : | | |
| (Increase) / Decrease in inventories | (20,527.90) | (647.79) |
| (Increase) / Decrease in trade and other receivables | 2,375.09 | (19,714.14) |
| Increase / (Decrease) in trade and other payables | 10,145.66 | 33,574.64 |
| Direct taxes paid | 1,239.03 | (659.59) |
| | (6,768.12) | 12,553.12 |
| Net cash flow from operating activities | 7,635.94 | 45,124.62 |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| Particulars | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---|--|--|
| CASH FLOWS ARISING FROM INVESTING ACTIVITIES | | |
| Inflow / (Outflow) on account of : | | |
| Interest income received | 1,122.81 | 649.94 |
| (Increase) / Decrease in loans and advances | 7,348.82 | (842.33) |
| (Purchase) / Sale of fixed assets including capital WIP (Net) | (1,270.59) | 997.66 |
| (Increase) / Decrease in deposits | (904.08) | 29.27 |
| (Purchase) / Sale of Long term / Current investments (Net) | 8,844.80 | (124.81) |
| Net cash flow from investing activities | 15,141.76 | 709.73 |
| CASH FLOWS ARISING FROM FINANCING ACTIVITIES | | |
| Inflow / (Outflow) on account of : | | |
| Increase / (Decrease) in long term and short term borrowings | (7,857.07) | (10,758.76) |
| Finance costs paid | (14,009.78) | (33,650.88) |
| Net cash flow from financing activities | (21,866.85) | (44,409.64) |
| Net increase in cash and cash equivalents (I + II + III) | 910.85 | 1,424.71 |
| Add: Balance at the beginning of the year | 926.80 | (497.91) |
| Cash and cash equivalents at the end of the year | 1,837.65 | 926.80 |
| Components of cash and cash equivalents | | |
| Cash and cash equivalents: | | |
| Cash on hand | 52.15 | 41.04 |
| Balances with banks | | |
| - In Current accounts | 3,092.81 | 2,083.66 |
| - Deposit with maturity of less than three months | 81.91 | 70.20 |
| - Escrow accounts | 44.86 | 25.10 |
| Cash Credit facilities | (1,434.08) | (1,293.20) |
| | 1,837.65 | 926.80 |

The accompanying notes are an integral part of the financial statements

Note:

The Cash Flow Statement has been prepared under indirect method as set out in Indian Accounting Standard (Ind AS - 7 'Statement of Cash Flows)

As per our report of even date
For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049
Mumbai
Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai
Date: May 28, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

Amount
(₹ in lakhs)

A. EQUITY SHARE CAPITAL

| | |
|---------------------------------|-----------------|
| As at 31st March, 2017 | 7,273.59 |
| Changes in equity share capital | - |
| As at 31st March, 2018 | 7,273.59 |
| Changes in equity share capital | - |
| As at 31st March, 2019 | 7,273.59 |

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

| | Reserves and Surplus | | | | | Non Controlling Interest | Total |
|--------------------------------------|----------------------------|------------------------------|------------------|-----------------|---|--------------------------|--------------------|
| | Securities Premium reserve | Debenture Redemption Reserve | General reserve | Capital Reserve | Retained Earnings (Refer Footnote b to Note 18) | | |
| Balance at 31st March, 2017 | 64,379.05 | 4,659.15 | 29,787.06 | 5,785.21 | 52,898.97 | 2,104.99 | 1,59,614.44 |
| Profit / (Loss) for the year | - | - | - | - | (2,616.56) | (19.23) | (2,635.79) |
| Other Comprehensive Income: | | | | | | | |
| Remeasurement of net defined benefit | - | - | - | - | 7.75 | - | 7.75 |
| Any other changes | - | - | - | - | - | 141.34 | 141.34 |
| Balance at 31st March, 2018 | 64,379.05 | 4,659.15 | 29,787.06 | 5,785.21 | 50,290.16 | 2,227.10 | 1,57,127.74 |
| Profit / (Loss) for the year | - | - | - | - | (1,503.84) | (47.29) | (1,551.13) |
| IndAS 115 Effect | - | - | - | - | (482.51) | - | (482.51) |
| Other Comprehensive Income: | | | | | | | |
| Remeasurement of net defined benefit | - | - | - | - | 37.16 | - | 37.16 |
| Any other changes | - | - | - | - | - | 11.16 | 11.16 |
| Balance at 31st March, 2019 | 64,379.05 | 4,659.15 | 29,787.06 | 5,785.21 | 48,340.97 | 2,190.97 | 1,55,142.42 |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049
Mumbai
Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai
Date: May 28, 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 1. Statement of Significant Accounting Policies.

1.1 Company Overview

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.

1.2 The financial statements are approved for issue by the Company's Board of Directors in the board meeting held on 28th May, 2019.

Note 2. Significant Accounting Policies followed by the Company

IA. Basis of preparation of Financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

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 set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies, (if any) within the credit period normally applicable to the respective project.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

IB. "Principles of consolidation and equity accounting"

The financial statements have been prepared on the following basis:

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The acquisition method of accounting is used to account for business combination by the Group.

The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

(ii) Associates

Associates are all entities over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI"). Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy.

(v) Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to statement profit and loss as if the Group had directly disposed of the related assets and liabilities.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to statement profit and loss where appropriate.

(vi) The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

(vii) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

II. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

Classification of property

The Company determines whether a property is classified as investment property or inventory property. Investment property comprises land and buildings that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Inventory comprises property that is held for sale in the ordinary course of business. Principally, these are properties that the Company develops and intends to sell before or on completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Employee Benefit Plans

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

ii) Estimation of net realisable value for inventory (including advance to land owner)

Inventory are stated at the lower of cost and net realisable value (NRV).

NRV for completed property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory under construction / incomplete projects is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Advance given to land owners, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iii) Valuation of investment in/ loans to subsidiaries

The Company has performed valuation for its investments in equity of subsidiaries, associates and JV's for assessing whether there is any impairment. When the fair value of investments in such entities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model.

Similar assessment is carried out for exposure of the nature of loans and interest receivable thereon as well as project advances. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as expected earnings in future years, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported amounts of these investments, loans and advances.

iv) Income tax provisions are based on the company's judgment of allowances/disallowances considering computation of income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

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:

Effective 1 April 2018, the Company has adopted Ind As 115 'Revenue from Contract with Customer' (replaced Ind AS 18 - Revenue and Ind AS 11 Construction Contracts and Guidance Notes) using the modified retrospective method, with the effect of initially applying this standard recognized in opening retained earnings on the date of initial application i.e., 1 April 2018. Accordingly, the information presented for the year ended 31 March 2018 is not restated, i.e., it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

Revenue is recognized upon transfer of control of residential/commercial units to customers, in an amount that reflects the consideration the Company expects to receive in exchange for those residential/commercial units. The Company shall determine the performance obligations associated with the contract with customers at contract inception and also determine whether they satisfy the performance obligation over time or at a point in time. In case of residential units, the Company satisfies the performance obligation and recognises revenue at a point in time i.e., upon handover of the residential/commercial units.

To estimate the transaction price in a contract, the Company adjusts the promised amount of consideration for the time value of money if that contract contains a significant financing component. The Company when adjusting the promised amount of consideration for a significant financing component is to recognise revenue at an amount that reflects the cash selling price of the transferred residential/commercial unit.

B. Revenue from sale of land and development rights:

Revenue from sale of land and development rights is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Revenue from sale of land and development rights is only recognised when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

C. Revenue from Trading Materials:

Revenue from sale of trading material is recognised when significant risks and rewards associated with the sale of material is transferred to the buyer.

D. Revenue from project management services:

Service income is recognised on the basis of completion of a physical proportion of the contract work/ based upon the contracts/ agreements entered into by the Company with its customers.

E. Profit / loss from partnership firms / association of persons:

Share of profit / loss from partnership firms / association of persons (AOP) is recognised on the basis of their audited/ management reviewed accounts, which is considered as a part of other operating activity.

F. Income from leased premises:

Lease income from operating lease is recognised in the Statement of Profit and Loss on straight line basis after adjusting for escalation over the lease term except where the lease incomes are structured to increase in line with expected general inflation.

G. Interest and dividend:

Interest income including income arising on other instruments recognised on time proportion basis using the effective interest rate method.

Dividend income is recognized when the right to receive dividend is established.

H. Others:

Other revenues / incomes and costs / expenditure are accounted on accrual, as they are earned or incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

IV. Property, plant and equipment, investment property and depreciation / amortisation

- A. On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1st April, 2015 of its Property, Plant and Equipment and Investment property and use that carrying value as the deemed cost on the date of transition i.e. 1st April, 2015.
- B. Tangible fixed assets are stated at cost of acquisition or construction including attributable interest and finance cost, if any till the date of acquisition/installation of the assets, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- C. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.
- D. 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.

| Asset Category | Estimated useful life (in Years) |
|--------------------------------------|----------------------------------|
| Plant and Machinery (Mivan System) | 3 to 5 |
| Computer servers and network systems | 6 |
| Computer desktops and laptops | 3 |
| Office Equipments | 5 |
| Vehicles | 8 |
| Furniture and Fixture | 10 |
| Completed Investment Properties | 60 |
| Leasehold Land | Over the Primary Lease period |
| Commercial Premises | 60 |

The residual values, useful lives and methods of depreciation of property plant equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

- E. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation.

V. Intangible assets and amortisation

Acquired 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. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Investments and Financial Assets

i. Initial recognition

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

a) Financial Assets at Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVTPL.

iii. De-recognition of Financial Assets:

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

B. Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii. Financial Liabilities

1. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

- Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

C. Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

VII Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

VIII. Impairment

a. Financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

i. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

ii. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

IX. Taxation

i. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the financial statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted or substantively enacted by the end of the reporting period.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognized 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.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

X. 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 Assets' 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 Assets' as 'Investment properties' and provision for depreciation / amortisation is made to comply with the requirements of Indian Accounting Standard (Ind AS) 17 - 'Leases' and Indian Accounting Standard (Ind AS) 40 - 'Investment Property'.
- 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.
- E. Finished properties Valued at lower of cost or net realizable value.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

XI. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

XII. Trade receivable

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

XIII. Employee benefits

a) Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, labour welfare fund are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b) Defined Benefit Plan

The Company provides for gratuity which is a defined benefit plans the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods.

The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c) Leave Entitlement

Leave entitlement are provided based on an actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d) Short-term Benefits

Short-term employee benefits such as salaries, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

XIV. Borrowings and Borrowing costs

Borrowing are initially recognised at Net off transaction cost incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of Profit and Loss over their period of the borrowings using the effective interest method.

Interests and other borrowing costs included under finance costs calculated as per effective interest rate attributable to qualifying assets, which takes substantial period of time to get ready for its intended use 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are charged to the Profit and Loss Account.

XV. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XVI. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : (Contd.)

XVII. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

XVIII. 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.

XIX. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Real Estate Development". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

XX. Provisions, contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

XXI. Interest in Joint Arrangements

As per Ind AS 111 - Joint Arrangements, investment in Joint Arrangement is classified as either Joint Operation or Joint Venture. The classification depends on the contractual rights and obligations of each investor rather than legal structure of the Joint Arrangement. The Company classifies its Joint Arrangements as Joint Ventures. The company recognizes its interest in Joint Venture as an investment and accounts for that investment using the Equity method in accordance with Ind AS 28.

XXII. RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 116

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of IND AS 116 is expected to be insignificant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 3.1. Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Associates / Joint Ventures

| | | 31st March, 2019 | | | | | | | |
|---------|--|--|---------------------|-------------------------------|---------------------|-------------------------------------|---------------------|--|---------------------|
| Sr. No. | Name of the Entities | Net Assets (Total Assets - Total Liabilities) | | Share in profit/(loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | As a % of consolidated net assets | Amount (₹ in lakhs) | As a % of consolidated Profit | Amount (₹ in lakhs) | As a % of consolidated Profit | Amount (₹ in lakhs) | As a % of consolidated profit / (loss) | Amount (₹ in lakhs) |
| | Parent | - | - | - | - | - | - | - | - |
| | Hubtown Limited | 74.87 | 1,21,601.44 | 45.74 | (709.44) | 83.80 | 31.15 | 44.80 | (678.29) |
| | Subsidiaries | - | - | - | - | - | - | - | - |
| 1 | ABP Realty Advisors Private Limited | 0.11 | 181.33 | (11.42) | 177.21 | - | - | (11.71) | 177.21 |
| 2 | Akruti Safeguard Systems Private Limited | (0.63) | (1,020.60) | (3.86) | 59.88 | - | - | (3.95) | 59.88 |
| 3 | Citygold Education Research Limited | 0.24 | 397.86 | 5.38 | (83.43) | - | - | 5.51 | (83.43) |
| 4 | Citygold Farming Private Limited | (0.21) | (340.10) | 17.42 | (270.27) | - | - | 17.85 | (270.27) |
| 5 | Citywood Builders Private Limited | 0.02 | 26.66 | 12.10 | (187.68) | - | - | 12.40 | (187.68) |
| 6 | Devkurpa Build Tech Limited | (0.55) | (890.96) | 1.21 | (18.81) | - | - | 1.24 | (18.81) |
| 7 | Diviniti Projects Private Limited | 0.31 | 504.68 | (0.36) | 5.64 | - | - | (0.37) | 5.64 |
| 8 | Gujarat Akruti-TCG Biotech Limited | 0.49 | 797.60 | 5.54 | (85.90) | - | - | 5.67 | (85.90) |
| 9 | Halitious Developer Limited | 0.27 | 434.38 | (0.43) | 6.72 | - | - | (0.44) | 6.72 |
| 10 | Headland Farming Private Limited | (0.13) | (211.67) | 0.58 | (9.06) | - | - | 0.60 | (9.06) |
| 11 | Heddle Knowledge Private Limited | (0.67) | (1,085.76) | 5.33 | (82.67) | 0.43 | 0.16 | 5.45 | (82.51) |
| 12 | Heet Builders Private Limited | 0.01 | 8.34 | (30.12) | 467.16 | - | - | (30.86) | 467.16 |
| 13 | India Development And Construction Venture Capital Private Limited | 0.01 | 13.19 | (1.50) | 23.20 | - | - | (1.53) | 23.20 |
| 14 | Joynest Premises Private Limited | 4.43 | 7,201.59 | 10.37 | (160.83) | (0.36) | (0.13) | 10.63 | (160.96) |
| 15 | Upvan Lake Resorts Private Limited | (0.01) | (16.43) | (0.10) | 1.56 | - | - | (0.10) | 1.56 |
| 16 | Urvi Build Tech Limited | (0.11) | (182.58) | 6.68 | (103.62) | - | - | 6.84 | (103.62) |
| 17 | Vama Housing Limited | (0.16) | (264.15) | (0.26) | 3.98 | - | - | (0.26) | 3.98 |
| 18 | Vega Developers Private Limited | 0.18 | 287.50 | 0.08 | (1.29) | - | - | 0.09 | (1.29) |
| 19 | Vishal Techno Commerce Limited | 1.20 | 1,952.67 | 2.09 | (32.36) | - | - | 2.14 | (32.36) |
| 20 | Yantti Buildcon Private Limited | (0.04) | (65.93) | (0.01) | 0.15 | - | - | (0.01) | 0.15 |
| 21 | Sanas developers private Limited | 0.00 | 0.51 | - | - | - | - | - | - |
| | Joint Venture | - | - | - | - | - | - | - | - |
| 21 | Hubtown Bus Terminal (Adajan) Private Limited | 0.38 | 612.25 | 3.88 | (60.18) | - | - | 3.98 | (60.18) |
| 22 | Hubtown Bus Terminal (Ahmedabad) Private Limited | 2.44 | 3,966.46 | 2.33 | (36.22) | 3.42 | 1.27 | 2.31 | (34.95) |
| 23 | Hubtown Bus Terminal (Mehsana) Private Limited | 0.64 | 1,031.34 | 4.16 | (64.45) | 0.18 | 0.07 | 4.25 | (64.39) |
| 24 | Hubtown Bus Terminal (Vadodara) Private Limited | 0.09 | 154.17 | 0.12 | (1.89) | - | - | 0.12 | (1.89) |
| 25 | Joyous Housing Limited | - | - | - | - | - | - | - | - |
| 26 | Rare Townships Private Limited | 7.22 | 11,731.30 | 8.09 | (125.46) | 8.49 | 3.16 | 8.08 | (122.30) |
| 27 | Sunstream City Private Limited | - | - | - | - | - | - | - | - |
| 28 | Twenty South Realty Limited | 17.80 | 28,918.08 | 22.92 | (355.44) | 4.03 | 1.50 | 23.38 | (353.94) |
| | Associates | - | - | - | - | - | - | - | - |
| 29 | Shubhsiddhi Builders Private Limited | - | - | - | - | - | - | - | - |
| 30 | Vinca Developer Private Limited | - | - | - | - | - | - | - | - |
| 31 | Whitebud Developers Limited | - | - | - | - | - | - | - | - |
| 32 | Giraffe Developers Private Limited | 3.33 | 5,415.41 | (17.73) | 274.99 | - | - | (18.16) | 274.99 |
| | Firms | - | - | - | - | - | - | - | - |
| 35 | Akruti GM JV | 0.43 | 700.00 | - | - | - | - | - | - |
| 36 | Akruti Jay Chandan JV | 0.17 | 282.40 | - | - | - | - | - | - |
| 37 | Akruti Jay Developers | 1.52 | 2,467.50 | - | - | - | - | - | - |
| 38 | Akruti Kailash Constructions | 0.00 | 0.50 | - | - | - | - | - | - |
| 39 | Akruti Steelfab Corporation | - | - | - | - | - | - | - | - |
| 40 | Shreenath Realtors | - | - | - | - | - | - | - | - |
| | Minority Interest in all subsidiary | 1.35 | 2,190.97 | 3.05 | (47.25) | - | - | 3.12 | (47.25) |
| | Inter company elimination and consolidation adjustments | (15.01) | (24,383.90) | 8.73 | (135.34) | - | - | 8.94 | (135.34) |
| | Total | 100.00 | 1,62,416.05 | 100.00 | (1,551.13) | 100.00 | 37.17 | 100.00 | (1,513.97) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 3.1. Additional information as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries / Associates / Joint Ventures

| | | 31st March, 2019 | | | | | | | |
|----------------------|--|--|---------------------|-------------------------------|---------------------|-------------------------------------|---------------------|--|---------------------|
| Sr. No. | Name of the Entities | Net Assets (Total Assets - Total Liabilities) | | Share in profit/(loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | As a % of consolidated net assets | Amount (₹ in lakhs) | As a % of consolidated Profit | Amount (₹ in lakhs) | As a % of consolidated Profit | Amount (₹ in lakhs) | As a % of consolidated profit / (loss) | Amount (₹ in lakhs) |
| Parent | | | | | | | | | |
| | Hubtown Limited | 75.00 | 1,23,296.69 | (100.69) | 2,653.89 | 151.51 | 11.74 | (101.43) | 2,665.63 |
| Subsidiaries | | | | | | | | | |
| 1 | ABP Realty Advisors Private Limited | 0.00 | 4.12 | 0.01 | (0.15) | - | - | 0.01 | (0.15) |
| 2 | Akruti Safeguard Systems Private Limited | (0.67) | (1,094.60) | (1.16) | 30.70 | - | - | (1.17) | 30.70 |
| 3 | Citygold Education Research Limited | 0.29 | 481.29 | 123.67 | (3,259.65) | - | - | 124.03 | (3,259.65) |
| 4 | Citygold Farming Private Limited | (0.04) | (69.83) | 82.37 | (2,171.02) | - | - | 82.61 | (2,171.02) |
| 5 | Citywood Builders Private Limited | (0.18) | (295.65) | (2.44) | 64.31 | - | - | (2.45) | 64.31 |
| 6 | Devkurpa Build Tech Limited | (0.53) | (872.15) | 0.22 | (5.81) | - | - | 0.22 | (5.81) |
| 7 | Diviniti Projects Private Limited | 0.30 | 499.06 | (0.11) | 2.84 | - | - | (0.11) | 2.84 |
| 8 | Gujarat Akruti-TCG Biotech Limited | 0.52 | 861.15 | (4.30) | 113.28 | - | - | (4.31) | 113.28 |
| 9 | Halitious Developer Limited | 0.26 | 427.67 | (4.62) | 121.80 | - | - | (4.63) | 121.80 |
| 10 | Headland Farming Private Limited | (0.13) | (208.71) | 6.72 | (177.22) | - | - | 6.74 | (177.22) |
| 11 | Hedde Knowledge Private Limited | (0.61) | (1,008.25) | 0.38 | (10.13) | (99.29) | (7.69) | 0.68 | (17.82) |
| 12 | Heet Builders Private Limited | (0.28) | (460.71) | 4.07 | (107.27) | - | - | 4.08 | (107.27) |
| 13 | India Development And Construction Venture Capital Private Limited | (0.01) | (10.01) | 0.01 | (0.21) | - | - | 0.01 | (0.21) |
| 14 | Joynest Premises Private Limited | 4.42 | 7,268.01 | 7.79 | (205.21) | - | - | 7.81 | (205.21) |
| 15 | Upvan Lake Resorts Private Limited | (0.01) | (17.57) | (0.34) | 8.86 | - | - | (0.34) | 8.86 |
| 16 | Urvi Build Tech Limited | (0.05) | (78.95) | (29.85) | 786.88 | - | - | (29.94) | 786.88 |
| 17 | Vama Housing Limited | (0.16) | (268.13) | (1.19) | 31.26 | - | - | (1.19) | 31.26 |
| 18 | Vega Developers Private Limited | 0.18 | 288.80 | 0.02 | (0.65) | - | - | 0.02 | (0.65) |
| 19 | Vishal Techno Commerce Limited | 1.21 | 1,985.69 | 3.91 | (103.01) | - | - | 3.92 | (103.01) |
| 20 | Yantti Buildcon Private Limited | (0.04) | (66.98) | 0.69 | (18.16) | - | - | 0.69 | (18.16) |
| Joint Venture | | | | | | | | | |
| 21 | Hubtown Bus Terminal (Adajan) Private Limited | 0.41 | 671.83 | 0.51 | (13.34) | 5.30 | 0.41 | 0.49 | (12.93) |
| 22 | Hubtown Bus Terminal (Ahmedabad) Private Limited | 2.43 | 4,001.41 | (0.23) | 5.96 | 14.58 | 1.13 | (0.27) | 7.09 |
| 23 | Hubtown Bus Terminal (Mehsana) Private Limited | 0.67 | 1,095.73 | 0.96 | (25.33) | 0.86 | 0.07 | 0.96 | (25.26) |
| 24 | Hubtown Bus Terminal (Vadodara) Private Limited | 0.09 | 156.07 | (0.30) | 7.85 | 2.34 | 0.18 | (0.31) | 8.03 |
| 25 | Joyous Housing Limited | - | - | - | - | - | - | - | - |
| 26 | Rare Townships Private Limited | 7.21 | 11,853.59 | 5.57 | (146.69) | 11.75 | 0.91 | 5.55 | (145.78) |
| 27 | Sunstream City Private Limited | - | - | - | - | - | - | - | - |
| 28 | Twenty South Realty Limited | 17.81 | 29,272.02 | 12.48 | (329.01) | 12.95 | 1.00 | 12.48 | (328.01) |
| Associates | | | | | | | | | |
| 29 | Shubhsiddhi Builders Private Limited | - | - | 0.02 | (0.50) | - | - | 0.02 | (0.50) |
| 30 | Vinca Developer Private Limited | - | - | - | - | - | - | - | - |
| 31 | Whitebud Developers Limited | - | - | - | - | - | - | - | - |
| 32 | Giraffe Developers Private Limited | 3.13 | 5,140.42 | (5.14) | 135.60 | - | - | (5.16) | 135.60 |
| Firms | | | | | | | | | |
| 35 | Akruti GM JV | 0.43 | 700.00 | - | - | - | - | - | - |
| 36 | Akruti Jay Chandan JV | 0.17 | 282.40 | - | - | - | - | - | - |
| 37 | Akruti Jay Developers | 1.50 | 2,467.50 | - | - | - | - | - | - |
| 38 | Akruti Kailash Constructions | 0.00 | 0.50 | - | - | - | - | - | - |
| 39 | Akruti Steelfab Corporation | - | - | - | - | - | - | - | - |
| 40 | Shreenath Realtors | - | - | - | - | - | - | - | - |
| | Minority Interest in all subsidiary | 1.35 | 2,227.10 | 0.73 | (19.23) | - | - | 0.73 | (19.23) |
| | Inter company elimination and consolidation adjustments | (14.68) | (24,128.51) | 0.24 | (6.45) | - | - | 0.25 | (6.45) |
| | Total | 100.00 | 1,64,401.00 | 100.00 | (2,635.79) | 100.00 | 7.75 | 100.00 | (2,628.04) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | (₹ in lakhs) | | | | | | | | | | |
|--|---------------|-----------------|---------------------|---------------|-----------------------|---------------------|------------------------|---------------|------------------|-----------------|--------------------------|
| | Freehold Land | Leasehold land | Commercial Premises | Mivan System | Computers and Laptops | Plant and Machinery | Furniture and Fixtures | Vehicles | Office Equipment | Total | Capital work-in-progress |
| Cost or deemed cost | | | | | | | | | | | |
| Balance at April 1, 2017 | 2.92 | 1,855.30 | 1,186.89 | 366.39 | 52.14 | 143.15 | 658.02 | 1,017.52 | 190.55 | 5,472.88 | 1,015.06 |
| Additions | | | | | | | 11.28 | 11.98 | 5.95 | 29.21 | 175.68 |
| Disposals | | | | | | (1.73) | (40.29) | (44.91) | (3.78) | (90.72) | |
| Transfers | | | | - | - | | | | | | - |
| Balance at March 31, 2018 | 2.92 | 1,855.30 | 1,186.89 | 366.39 | 52.14 | 141.42 | 629.01 | 984.59 | 192.72 | 5,411.38 | 1,190.74 |
| Accumulated depreciation and impairment | | | | | | | | | | | |
| Balance at April 1, 2017 | - | 44.26 | 303.67 | 348.07 | 51.20 | 61.34 | 503.47 | 688.51 | 171.30 | 2,171.82 | - |
| Eliminated on disposal of assets | | | | | - | (1.01) | (38.58) | (49.03) | - | (88.62) | |
| Depreciation expense | - | 2.74 | 22.60 | - | 0.79 | 8.30 | 36.24 | 84.03 | 11.50 | 166.20 | |
| Balance at March 31, 2018 | - | 47.00 | 326.27 | 348.07 | 51.99 | 68.63 | 501.13 | 723.51 | 182.80 | 2,249.40 | - |
| Carrying amount as on 31st March 2018 | 2.92 | 1,808.30 | 860.62 | 18.32 | 0.15 | 72.79 | 127.88 | 261.08 | 9.92 | 3,161.99 | 1,190.74 |
| | | | | | | | | | | | |
| | Freehold Land | Leasehold land | Commercial Premises | Mivan System | Computers and Laptops | Plant and Machinery | Furniture and Fixtures | Vehicles | Office Equipment | Total | Capital work-in-progress |
| Cost or deemed cost | | | | | | | | | | | |
| Balance at March 31, 2018 | 2.92 | 1,855.30 | 1,186.89 | 366.39 | 52.14 | 141.42 | 629.01 | 984.59 | 192.72 | 5,411.39 | 1,218.96 |
| Additions | - | - | 900.00 | - | 0.72 | 2.00 | 7.35 | 13.79 | 2.82 | 926.68 | 203.87 |
| Disposals | - | - | - | - | (30.40) | - | (168.40) | (11.94) | (25.66) | (236.40) | (0.66) |
| Transfer to investment property | - | - | (68.53) | - | - | - | - | - | - | (68.53) | |
| Balance at March 31, 2019 | 2.92 | 1,855.30 | 2,018.36 | 366.39 | 22.47 | 143.42 | 467.95 | 986.44 | 169.88 | 6,033.13 | 1,422.17 |
| Accumulated depreciation and impairment | | | | | | | | | | | |
| Balance at March 31, 2018 | - | 47.00 | 326.27 | 348.07 | 51.99 | 68.63 | 501.13 | 723.51 | 182.80 | 2,249.41 | - |
| Eliminated on disposal of assets | - | - | - | - | (30.40) | - | (168.40) | (6.44) | (25.66) | (230.90) | - |
| Depreciation expense | - | 2.74 | 32.70 | - | 0.26 | 8.12 | 36.84 | 73.55 | 9.02 | 163.23 | - |
| Transfer to investment property | - | - | (31.51) | - | - | - | - | - | - | (31.51) | - |
| Balance at March 31, 2019 | - | 49.74 | 327.46 | 348.07 | 21.85 | 76.74 | 369.57 | 790.63 | 166.16 | 2,150.23 | - |
| Carrying amount as at 31st March 2019 | 2.92 | 1,805.56 | 1,691 | 18.32 | 0.62 | 66.68 | 98.38 | 195.81 | 3.72 | 3,882.90 | 1,422.17 |

Footnote

Commercial premises includes cost of shares aggregating to ₹ 0.01 lakhs (March 31, 2018: ₹ 0.04 lakhs) carrying the occupancy rights in the commercial premises.

* During the year Company has acquired 50% undivided shares, rights, title in a commercial premises, as part of slump sale arrangement.

3.1 Assets pledged as security

Leasehold Land and Commercial property and vehicles with a carrying amount of ₹ 141.43 lakhs (As at 31st March, 2018: ₹ 200.41 lakhs) have been pledged to secure the borrowings of the Company.

3.2 Contractual obligations

Capital expenditure contracted for at the end of the reporting period (net of advances), but not recognised as liabilities is ₹ Nil (as at 31st March, 2018: ₹ Nil).

3.3 Leased Assets

one of the properties includes amounts where the company is a lessee under a finance lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 5. Investment property

(₹ in lakhs)

| | Completed investment properties |
|--|---------------------------------|
| Gross Carrying value (At Deemed Cost) | |
| Balance at 1st April, 2017 | 5,506.13 |
| Additions | - |
| Disposals | (103.86) |
| Balance at 31st March, 2018 | 5,402.27 |
| Accumulated depreciation and impairment | |
| Balance at 1st April, 2017 | 1,270.07 |
| Depreciation expense | 147.13 |
| Eliminated on disposal of assets | (36.50) |
| Balance at 31st March, 2018 | 1,380.70 |
| Net carrying value as on 31st March, 2018 | 4,021.57 |
| Gross Carrying value (At Deemed Cost) | |
| Balance at 1st April, 2018 | 5,402.27 |
| Additions | 68.53 |
| Disposals | - |
| Balance at 31st March, 2019 | 5,470.80 |
| Accumulated depreciation and impairment | |
| Balance at 1st April, 2018 | 1,380.70 |
| Additions | 31.51 |
| Depreciation expense | 148.33 |
| Eliminated on disposal of assets | - |
| Balance at 31st March, 2019 | 1,560.54 |
| Net carrying value as on 31st March, 2019 | 3,910.26 |

Footnote :

Investment Property includes cost of shares aggregating to ₹ 0.03 lakhs (March 31, 2018: ₹ Nil) carrying the occupancy rights.

5.1 Amounts recognised in profit and loss for investment properties

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| Rental Income | 602.50 | 881.77 |
| Direct operating expenses from property | 2.12 | 2.33 |
| Profit from Investment properties before depreciation | 600.38 | 879.44 |
| Depreciation | 148.33 | 148.33 |
| Profit from Investment properties | 452.05 | 731.11 |
| Rental Income from others | 527.53 | 111.45 |

5.2 Leasing Arrangements

Certain investment properties are leased to tenants.

Minimum lease payments receivable are as follows.

Within one year

Later than one but not later than 5 years

Later than 5 years

| | 31st March, 2019 | 31st March, 2018 |
|---|------------------|------------------|
| Within one year | 317.55 | 304.13 |
| Later than one but not later than 5 years | 448.35 | 543.34 |
| Later than 5 years | - | - |

5.3 Investment property pledged as security

Leasehold Land and Commercial properties with a carrying amount of ₹ 3,888.67 lakhs (As at 31st March, 2018: ₹ 3996.54 lakhs) have been pledged to secure the borrowings of the company.

5.4 Fair Valuation of Investment Property

| Property Name | Fair Value (₹ in Lakhs) | Basis |
|-------------------|-------------------------|--------------------------------|
| Mahalaxmi carpark | 22,610.00 | Independent Valuers Report |
| Others | 3,353.46 | Stamp Duty Ready Reckoner Rate |

The fair value of mahalaxmi carpark is based on independent valuers report dated March 18. In opinion of management as on reporting date there is no significant change in valuation as on reporting date. The Company has not determined the fair value of the other properties from any independent valuer as at 31st March, 2019 instead the values disclosed above are based on ready reckoner rate of the said properties for the year ended 31st March, 2019 duly published by the Government of Maharashtra.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 6. Intangible assets

| | <u>Technical Knowhow</u> | <u>Computer software</u> | <u>Total</u> |
|--|--------------------------|--------------------------|---------------|
| Gross Carrying Value (At Deemed Cost) | | | |
| Balance at 1st April, 2017 | 74.55 | 535.76 | 610.31 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Balance at 31st March, 2018 | 74.55 | 535.76 | 610.31 |
| Accumulated depreciation | | | |
| Balance at 1st April, 2017 | 40.54 | 535.76 | 576.30 |
| Eliminated on disposal of assets | - | - | - |
| Depreciation expense | 3.64 | - | 3.64 |
| Balance at 31st March, 2018 | 44.18 | 535.76 | 579.94 |
| Net carrying value as at 31st March, 2018 | 30.37 | - | 30.37 |
| Gross Carrying Value (At Deemed Cost) | | | |
| Balance at 1st April, 2018 | 74.55 | 535.76 | 610.31 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Balance at 31st March, 2019 | 74.55 | 535.76 | 610.31 |
| Accumulated depreciation | | | |
| Balance at 1st April, 2018 | 44.18 | 535.76 | 579.94 |
| Eliminated on disposal of assets | - | - | - |
| Depreciation expense | 3.64 | - | 3.64 |
| Balance at 31st March, 2019 | 47.82 | 535.76 | 583.58 |
| Net carrying value as at 31st March, 2019 | 26.73 | - | 26.73 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Note 7. Investments | | |
| Non Current | | |
| A) Investment in equity instruments (Unquoted) (Carried at deemed cost) | | |
| I) Joint Ventures | | |
| a) 50,000 (As at March 31, 2018: 50,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Mehsana) Private Limited | 5.00 | 5.00 |
| b) 1,00,000 (As at March 31, 2018: 1,00,000) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Mehsana) Private Limited | 1,026.34 | 1,090.73 |
| c) 50,000 (As at March 31, 2018: 50,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Vadodara) Private Limited | 5.00 | 5.00 |
| d) 1,15,275 (As at March 31, 2018: 1,15,275) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Vadodara) Private Limited | 149.17 | 151.07 |
| e) 50,000 (As at March 31, 2018: 50,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Adajan) Private Limited | 5.00 | 5.00 |
| f) 1,15,463 (As at March 31, 2018: 1,15,463) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Adajan) Private Limited | 607.25 | 666.83 |
| g) 10,000 (As at March 31, 2018: 10,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Ahmedabad) Private Limited | 3,965.21 | 4,000.16 |
| h) 15,000 (As at March 31, 2018: 15,000) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Ahmedabad) Private Limited | 1.25 | 1.25 |
| i) 22,859 (As at March 31, 2018: 22,859) Equity shares of ₹ 10/- each Twenty Five South Realty Limited | 28,918.08 | 29,272.02 |
| j) 28,37,270 (As at March 31, 2018: 28,37,270)(Class 'A') Equity shares of ₹ 10/- each Rare Townships Private Limited | 5,121.88 | 5,121.88 |
| k) 4,25,000 (As at March 31, 2018: 4,25,000) (Class 'B') Equity shares of ₹ 10/- each Rare Townships Private Limited | 6,609.42 | 6,731.72 |
| l) 25,000 (As at March 31, 2018: 25,000) Equity shares of ₹ 100/- each Joyous Housing Limited | - | - |
| m) 1,22,000 (As at March 31, 2018: 129,000) Equity shares of ₹ 10/- each Sunstream City Private Limited | - | - |
| | 46,413.60 | 47,050.66 |
| II) Associate Companies | | |
| a) 25,000 (As at March 31, 2018: 25,000) Equity shares of ₹ 10/- each Whitebud Developers Limited | - | - |
| b) 5,000 (As at March 31, 2018: 5,000) Equity shares of ₹ 10/- each Shubhsiddhi Builders Private Limited | - | - |
| c) 6,095 (As at March 31, 2018: 6,095) (Class 'A') Equity shares of ₹ 10/- each Vinca Developer Private Limited | - | - |
| d) 7353 (As at March 31, 2018: NIL)(Class 'B') Equity Shares of ₹ 10/- each Giraffe Developers Private Limited | 5,415.41 | 5,140.42 |
| | 5,415.41 | 5,140.42 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 7. Investments (contd.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| III) Others | | |
| a) 240 (As at March 31, 2018: 240) Equity shares of ₹ 100/- each Citygold Management Services Private Limited | 0.24 | 0.24 |
| b) 6,000 (As at March 31, 2018: 6,000) (Class 'B') Equity shares of ₹ 50/- each Hogmanay Niharika Buildings Limited | 3.00 | 3.00 |
| c) 37,815 (As at March 31, 2018: 37,815) Equity shares of ₹ 10/- each Janakalyan Sahakari Bank Limited | 3.78 | 3.78 |
| d) NIL (As at March 31, 2018: 1) Equity Share of ₹ 10/- each E Commerce Magnum Solutions Limited | - | 1.00 |
| e) 150 (As at March 31, 2018: 150) Equity shares of ₹ 25/- each Shamrao Vithal Co-operative Bank Limited (at FVPL) | 0.68 | 0.64 |
| f) 2,000 (As at March 31, 2018: 2,000) Equity shares of ₹ 10/- each Suraksha Realty Limited (at FVPL) | 27.19 | 15.37 |
| | 34.89 | 24.03 |
| B) i. Investment in Preference Shares (Unquoted) | | |
| a) At deemed cost 1,865 (As at March 31, 2018: 1,865) 10% Non-Cumulative Redeemable Preference Shares of ₹ 10/- each Twenty Five South Realty Limited (Joint Venture) | 0.19 | 0.19 |
| b) Others 10,000 (As at March 31, 2018: 6,671) 21% Non Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each E Commerce Magnum Solutions Limited (Refer Footnote d) | 1.00 | 6,671.00 |
| | 1.19 | 6,671.19 |
| C) i. Investment in Debentures (Unquoted) | | |
| 1,47,20,000 (As at March 31, 2018: 3,19,10,000) 9% Optionally convertible debentures of ₹ 10/- each Asmeeta Infratech Limited (Refer Footnote e) | 1,472.00 | 3,191.00 |
| ii. Investment in Bonds (At Ammortised Cost) (Quoted) | | |
| 39,13,310 (As at March 31, 2018: 39,13,310) Deep Discount Bonds, issued @ ₹ 2,090/- of face value ₹ 10,000 [Tenure of 9 Year] (Refer Footnote (c) to Note 24) Sunstream City Private Limited (Joint venture) | 97,412.85 | 97,412.85 |
| | 98,884.85 | 1,00,603.85 |
| D) Capital Investment in Partnership Firms and Joint Ventures (Refer Footnote f & g) | 986.79 | 3,450.06 |
| E) Non Controlling Capital Investment in Partnership Firms and Joint Ventures | 7,570.00 | 7,570.00 |
| Less: Provision for diminution in the value of investments (Refer footnote h) | - | - |
| Total Non Current Investments (A+B+C+D+E) | 1,59,306.73 | 1,70,510.21 |
| Aggregate amount of quoted investments | 97,412.85 | 97,412.85 |
| Aggregate amount of unquoted investments | 61,893.88 | 73,097.36 |
| Aggregate provision for diminution in value of investments: | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 7. Investments (contd.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Current | | |
| a) Investment in Mutual Funds (Quoted)(Other than Trade) | | |
| At Fair value through profit and loss | | |
| (i) 246.52 units (As at March 31, 2018: 9036.95) Indiabulls Liquid fund Direct Plan (Growth) [NAV ₹ 1825.38 per unit (As at March 31, 2018: ₹ 1698.25 per unit)] | 4.50 | 153.47 |
| (ii) 26.419 Units (As at March 31, 2018: 24.072) State Bank of India Mutual Fund [NAV ₹ 1675.03 per unit (As at March 31, 2018: ₹ 1738.83 per unit)] | 0.45 | 0.42 |
| (iii) 62228.4580 (As at 31st March, 2018: 62,228.4 units) L&T Income Opportunities Fund [21.08 (As at March 31, 2018: ₹ 19.89 per unit)] | 13.12 | 12.38 |
| (iv) 40772.3400 units (As at 31st March, 2018: 1,19,372.3 units L & T Short Term Income Fund Growth [20.03 (As at March 31, 2018: ₹ 18.67 per unit)] | 8.16 | 22.28 |
| (v) NIL (As at 31st March, 2018: 218093.70) of ICICI Prudential Equity Income Fund Growth [NAV ₹ NIL per unit (As at March 31, 2018:1698.25)] | - | 27.94 |
| (vi) 39470.9840 Units (As at 31st March, 2017: NIL units) IDFC Super Saver IF MT Plan [NAV ₹ 38.07 per unit (As at March 31, 2018:1698.25)] | 15.02 | - |
| (vii) 796.00 units (As at 31st March, 2018: NIL Units) of Templeton Short Term Income Plan- Growth [NAV ₹ 3997.27 per unit (As at March 31, 2018: NIL units)] | 31.82 | - |
| B) Capital Investment in partnership firms and joint ventures (Trade, Unless otherwise specified) (Unquoted) (Refer Footnote f) | 2,473.00 | - |
| Total Current Investments | 2,546.07 | 216.49 |
| Aggregate amount of quoted investments | 73.07 | 216.49 |
| Aggregate amount of unquoted investments | 2,473.00 | - |
| Aggregate provision for diminution in value of investments: | - | - |

Footnotes:

- During the year the Parent Company sold its entire shareholding in Heet Builders Private Limited (Heet), consequent to which Heet ceased to be a subsidiary of the Company.
- The Parent company had earlier made provision for diminution in value of investments for ABP Realty Advisors Private Limited and India Development and Construction Venture Capital Private Limited amounting to ₹ 5 lakhs each. Since the Parent Company has filed application for closures of the said companies with Register of companies(ROC), the amount of investment have been squared off against provision for diminution in value of investment made in previous year's.
- Parent Company has invested in Sanas Developers Private Limited during the year by purchasing 5,100 Equity Shares at ₹ 10/- each.
- During the year E Commerce Magnum Solutions Limited had converted from cumulative Optionally Convertible Redeemable Preference shares into Non-cumulative Optionally Convertible Redeemable Preference shares. The same has been redeemed during the year. Further, Company has purchased 10000 Non Cumulative Optionally Convertible Redeemable Preference Shares at ₹ 10/- each.
- During the year Parent Company has sold 1,59,10,000 debentures of ₹ 10/- Each of Asmeeta Infratech Limited at a discounted price of ₹ 250 lacs as lump sum consideration for transaction.
- On account of reconstitution of the firms, all the partners other than Hubtown Limited retired in firms Akruiti jay developer, Akruiti Kailash Construction and Celeste Joint Venture post reporting date. Consequent to such reconstitution the projects in said firms were subsequently transferred in the Company. Accordingly investment in such firms have been disclosed under current investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

- g) In previous year the Parent Company had written off the capital amount given for project development amounting to ₹ 775.00 lakhs to a partnership firm shreenath realtors, for development and exploitation of areas at Nirmal Nagar, Sion, Mumbai. Since the approval from the Government has not been received till date nor there is any scope of it being approved in the near future, operation cost has been mounting year on year in the said firm. However, the Firm has not been dissolved as on date.
- h) Primeria (a joint venture), where company has invested capital of ₹ 1.60 lakhs had been written off in previous year. However the firm has not been dissolved as on date.
- i) As at 31st March, 2019 the Group has investments, loans and project advances in certain joint ventures and associates which 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 loans and project advances to such entities, which are considered good and fully recoverable.
- j) During the previous year, based on certain events, the investments made in two steps down subsidiaries, Jineshwar Multitrade Private Limited in Citygold Education Research limited and Asha Multitrade Private Limited in Citygold Farming Private Limited have been written off.

During the previous year, it has come to the knowledge of the management of the Subsidiaries that the directors of Jineshwar Multitrade Private Limited ("JMPL") and Asha Multitrade Private Limited ("AMPL") had allegedly indulged in nefarious and fraudulent activities. Considering the above, the management of the subsidiaries have approached the Economic Offence Wing ("EOW") and Registrar of Companies ("ROC") to lodge a complaint against the directors of JMPL and requested a thorough investigation so as to uncover the true facts of the case and to try and recover the investments made by the subsidiaries in JMPL & AMPL. Pending the results of the investigation and further considering the chances of its recoverability, the management of the subsidiaries has written off the investments made by them in JMPL & AMP.

Note 8. Trade Receivables

Current

Unsecured, considered good

- Related Party
- Others

Doubtful

Allowance for doubtful debts

Total

Footnote:

- a) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from any firms or private companies in which any director is a partner, a director or a member.
- b) Trade Receivables are towards sale of FSI/projects/rights and services. Credit terms for such receivables are based on respective contracts.

| As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|
| - | 14,740.54 |
| 31,482.85 | 30,333.15 |
| 165.19 | 165.19 |
| (165.19) | (165.19) |
| 31,482.85 | 45,073.69 |

Note 9. Loans

Non-current

Loans to related parties

- Unsecured, considered good

Total

Current

Loans to related parties

- Unsecured, considered good

Loan to others

- Unsecured, considered good

Loans to Employees

Total

| | |
|------------------|-----------------|
| 16,616.91 | 1,080.34 |
| 16,616.91 | 1,080.34 |
| 9,759.03 | 5,286.67 |
| 512.53 | 3,180.58 |
| 2.31 | 2.50 |
| 10,273.87 | 8,469.75 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|--|---|
| Note 10. Other financial assets | | |
| Non-current | | |
| Bank balances | | |
| - Deposits with maturity of more than twelve months | 50.16 | 325.65 |
| - Margin money deposits | 95.93 | 277.98 |
| Security deposits | 113.63 | 88.30 |
| Other Advances | | |
| Doubtful | | |
| - Others | 133.66 | 124.51 |
| Less: Provision for doubtful advances | (133.66) | (124.51) |
| Other receivables | | |
| - Other than Trade Receivables | 9.15 | 9.15 |
| - Interest accrued on fixed deposits | 0.36 | 1.83 |
| | 269.23 | 702.91 |
| Footnote: | | |
| Balances with bank in margin money and fixed deposits are kept as security for guarantees / other facilities. | | |
| Current | | |
| Security deposits | 260.06 | 374.63 |
| Project Advances (Refer Footnote a and b) | | |
| - Related parties | 2,050.26 | 1,706.88 |
| Advances recoverable | | |
| - Related parties | 3,400.42 | 1,705.45 |
| - Others | 22,781.41 | 21,225.58 |
| Unbilled revenue | - | 6,845.98 |
| Other Advances | | |
| Current Account Balances in Partnership Firms and Joint Ventures | 28,263.89 | 21,476.81 |
| Other receivables | | |
| - Other than Trade Receivables | 8,437.60 | 8,707.50 |
| - Interest accrued on fixed deposits | 21.42 | 20.32 |
| - Interest accrued on loans | 738.49 | 613.50 |
| - Interest accrued on investments | 19.46 | - |
| | 65,973.01 | 62,676.65 |
| Footnote: | | |

- The amount funded by the group to joint ventures and associate entities initially were in infant stage. These entities are on the verge of launching their own projects and are also in the process of obtaining finance facilities / investors, etc. on their own strength. In view of the above developments, project advances to these entities are considered as repayable on demand.
- The Parent Company has not charged interest on advances given by it to certain group entities developing real estate projects, in which the Company has a commercial and business interest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Note 11. Income Tax Assets (Net) | | |
| Income Tax Assets | 1,338.14 | 3,404.25 |
| Income Tax Liabilities | (63.35) | (44.34) |
| Total | 1,274.79 | 3,359.91 |
| Income Tax expense | | |
| (a) Income Tax expense | | |
| Current Tax | (2.21) | 599.82 |
| Tax in respect of earlier years | (114.73) | 158.85 |
| | (116.94) | 758.67 |
| Deferred Tax | | |
| Decrease / (Increase) in deferred tax assets | (953.61) | (843.52) |
| (Decrease) / Increase in deferred tax liabilities | (80.69) | (146.65) |
| Total deferred tax expense (credit) | (1,034.30) | (990.17) |
| Income Tax expense/(credit) | (1,151.24) | (231.50) |
| (b) Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate | | |
| Profit / (Loss) for the Year | (31.23) | (2,503.18) |
| Share Of Profit / (Loss) From Associate Co. / JV using equity method | (368.66) | (365.11) |
| Pre-acquisition gain | - | - |
| (Loss) / gain on cessation / sale / conversion of share in subsidiaries / JVs / Associates | - | - |
| Add: Loss on account of consolidation of group entities | 691.99 | 6,507.70 |
| Total Profit / (Loss) | 292.11 | 3,639.40 |
| Income tax expense calculated at 34.608% | 101.12 | 1,259.52 |
| Tax effects of amounts that are not deductible (taxable) in calculating taxable income: | | |
| Effect of expenses that are not deductible in determining taxable profit | 13.39 | 102.87 |
| Effect of difference in rate of Tax due to MAT | (8.05) | (489.11) |
| Effect of expenses that are deductible in determining taxable profit due to timing difference | (45.12) | (84.13) |
| Effect of unabsorbed losses that are deductible in determining taxable profit | - | (121.13) |
| Effect of income that is exempt from taxation | (63.55) | (68.19) |
| Effect on deferred tax due to timing difference (Refer note 12) | (1,034.30) | (990.17) |
| Adjustments for current tax of prior periods | (114.73) | 158.85 |
| Income tax expense | (1,151.24) | (231.50) |
| Note 12. Deferred Tax Assets / Liability (Net) | | |
| The following is the analysis of deferred tax asset / (liabilities) presented in the balance sheet | | |
| Deferred Tax Asset (Net) | | |
| Deferred Tax Asset | 5,567.17 | 5,058.40 |
| Deferred Tax Liability | (1,426.33) | (612.42) |
| Total | 4,140.84 | 4,445.98 |
| Deferred Tax Liability (net) | | |
| Deferred Tax Asset | 169.59 | 235.50 |
| Deferred Tax Liability | (585.60) | (571.82) |
| Total | (416.01) | (336.32) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note 12. Deferred Tax Assets / Liability (Net) (Contd.)

| | (₹ in lakhs) | | |
|--|------------------------|---|------------------------|
| | Opening Balance | Recognised in profit or loss | Closing Balance |
| 2018-19 | | | |
| Deferred Tax Asset (Net) | | | |
| On account of : | | | |
| Difference in debtors under subvention scheme | 101.43 | (101.43) | - |
| Difference in Revenue Recognition and WIP | - | (641.08) | (641.08) |
| Difference in security deposit | (27.43) | (3.30) | (30.73) |
| Difference in advance lease rent | 25.25 | 2.65 | 27.90 |
| Differential interest | (98.30) | (147.87) | (246.17) |
| Temporary difference in relation to investments in joint ventures | (0.35) | 0.22 | (0.13) |
| Depreciation | (486.34) | (21.85) | (508.20) |
| Provisions made | 73.89 | 27.35 | 101.23 |
| Others | 4,857.84 | 638.68 | 5,438.05 |
| Total | 4,445.97 | (246.66) | 4,140.84 |
| On account of adoption of Ind AS 115 | 706.95 | (706.95) | - |
| | 5,152.92 | (953.61) | 4,140.84 |
| Deferred Tax Liability (Net) | Opening Balance | Recognised in profit or loss | Closing Balance |
| On account of : | | | |
| Difference in capital work-in-progress | 21.83 | (4.48) | 17.35 |
| Unamortised premium on debentures | 92.66 | (40.27) | 52.39 |
| Premium payable on debentures | (231.66) | (30.32) | (261.97) |
| Difference borrowings / convertible instruments classified as Equity | (298.77) | 20.63 | (278.14) |
| Difference in WDV of Fixed Assets | (37.55) | (1.16) | (38.70) |
| Fair valuation of investments | (3.86) | (2.93) | (6.79) |
| Others | 121.03 | (22.17) | 99.85 |
| Total | (336.30) | (80.69) | (416.01) |
| Deferred Tax (Charge) / Credit | - | (1034.30) | - |

2017-18

| | Opening Balance | Recognised in profit or loss | Closing Balance |
|---|-----------------|---------------------------------|-----------------|
| Deferred Tax Asset (Net) | | | |
| On account of : | | | |
| Difference in debtors under subvention scheme | 357.03 | (255.60) | 101.43 |
| Unwinding of debtors under subvention scheme | (179.72) | 179.72 | - |
| Difference in security deposit | 9.18 | (36.61) | (27.43) |
| Difference in advance lease rent | (8.80) | 34.05 | 25.25 |
| Differential interest | 26.13 | (124.43) | (98.30) |
| Temporary difference in relation to investments in joint ventures | (17.34) | 16.99 | (0.35) |
| Depreciation | (111.97) | (374.37) | (486.34) |
| Provisions made | 73.89 | - | 73.89 |
| Others | 3,453.06 | 1,404.78 | 4,857.84 |
| | 3,601.46 | 844.52 | 4,445.99 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note 12. Deferred Tax Assets / Liability (Net) (Contd.)

| | (₹ in lakhs) | | |
|--|-----------------|---------------------------------|-----------------|
| | Opening Balance | Recognised in profit or loss | Closing Balance |
| Deferred Tax Liability (Net) | | | |
| On account of : | | | |
| Difference in capital work-in-progress | 27.87 | (6.04) | 21.83 |
| Unamortised premium on debentures | 186.81 | (94.15) | 92.66 |
| Premium payable on debentures | (311.35) | 79.69 | (231.66) |
| Difference borrowings / convertible instruments classified as Equity | (462.34) | 163.57 | (298.77) |
| Difference in WDV of Fixed Assets | (39.97) | 2.42 | (37.55) |
| Fair valuation of investments | (1.09) | (2.77) | (3.86) |
| Others | 119.10 | 2.93 | 121.03 |
| | (480.97) | 145.65 | (336.32) |
| Deferred Tax (Charge) / Credit | - | 990.17 | - |

Significant estimates: Based on the approved plans and budgets, the Company has estimated that the future taxable income will be sufficient to absorb carried forward losses and unabsorbed depreciation, which management believes is probable and accordingly the Company has recognised deferred tax assets.

Note 13. Other assets

Non-current

Capital Advances

- Related parties

- Others

Advances to land owners

Other advances

- Prepaid Expense

Total

Current

Projects Advances

Advances to land owners

Advance to Suppliers

Advances / Deposits recoverable in cash or in kind or for value to be received

Balances with Statutory / Government Authorities

Other Advances

- Prepaid Expense

- Others

Total

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| | - | - |
| | - | 1,671.00 |
| | 2,650.91 | 2,660.88 |
| | 4.90 | 20.91 |
| | 2,655.81 | 4,352.79 |
| | 242.83 | - |
| | 10,204.00 | - |
| | 1,659.12 | 3,306.34 |
| | 1,425.41 | 2,138.00 |
| | 416.70 | 372.73 |
| | 16.61 | 29.28 |
| | 956.00 | 988.67 |
| | 14,920.67 | 6,835.01 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Note 14. Inventories | | |
| Inventories (lower of cost or net realisable value) | | |
| - Stock of material at site | 180.92 | 298.93 |
| - Incomplete projects | 146,863.01 | 166,266.04 |
| - Floor space index (FSI) | 126.26 | 126.26 |
| - Finished properties | 672.60 | 117.29 |
| Total | 147,842.79 | 166,808.52 |

Footnote :

- The projects are under various stages of development and are expected to have net realisable value greater than the cost.
- Inventories include inventory with carrying value of ₹ 53,353.66 lakhs (As at 31st March, 2018: ₹ 63,338.48 lakhs) which have been mortgaged against the borrowings of the Company. The Company has various projects under construction, and it has obtained loan/finance facilities against the mortgage of units to be constructed on the said projects and the same is reflected as inventory. The Company has also sold units which are under construction and the lender has issued NOC for the same.

Note 15. Cash and cash equivalents

| | | |
|---|-----------------|-----------------|
| Balances with banks: | | |
| - in current accounts | 3,092.81 | 2,083.66 |
| - Escrow accounts | 44.86 | 25.10 |
| - in deposit with maturity of less than three months | 81.91 | 70.20 |
| Cash on hand | 52.15 | 41.04 |
| Cash and cash equivalents as per balance sheet | 3,271.73 | 2,220.00 |
| Working Capital Loan from Bank (Refer note 19) | (1,434.08) | (1,293.20) |
| Cash and cash equivalents as per statement of cash flows | 1,837.65 | 926.80 |

Footnote:

Balances with bank in fixed deposits are kept as security for guarantees / other facilities.

Note 16. Other bank balances

| | | |
|--|-----------------|---------------|
| Other Bank Balances: | | |
| Unpaid dividend accounts | 1.05 | 2.05 |
| Deposits with maturity of more than three months but less than twelve months | 983.07 | 59.38 |
| Margin money deposits | 757.68 | 776.29 |
| Total | 1,741.80 | 837.72 |

Footnote:

Balances with bank 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, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Note 17. Equity share capital | | |
| Authorised Share Capital: | | |
| 125,000,000 (As at 31st March, 2018: 125,000,000) Equity Shares of ₹ 10/- each | 12,500.00 | 12,500.00 |
| Issued and subscribed capital comprises: | | |
| 72,735,871 (As at 31st March, 2018: 72,735,871) Equity Shares of ₹ 10/- each fully paid up | 7,273.59 | 7,273.59 |
| | 7,273.59 | 7,273.59 |

a) Reconciliation of number of shares outstanding at the beginning and at the end of the year

| | Number of shares | Share Capital (₹ in lakhs) |
|------------------------------------|---------------------|-------------------------------|
| Fully paid equity shares | | |
| Balance at 31st March, 2017 | 72,735,871 | 7,273.59 |
| Add : Issued during the year | - | - |
| Less : Bought back during the year | - | - |
| Balance at 31st March, 2018 | 72,735,871 | 7,273.59 |
| Add : Issued during the year | - | - |
| Less : Bought back during the year | - | - |
| Balance at 31st March, 2019 | 72,735,871 | 7,273.59 |

b) **Terms / rights attached to equity shares**

The Company has a single class of equity shares having a par value of ₹10 per share. Each shareholder 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.

c) **Details of shares held by each shareholders holding more than 5% shares**

| | As at 31st March, 2019 | | As at 31st March, 2018 | |
|-------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | No of shares held | % holding of this class of shares | No of shares held | % holding of this class of shares |
| Fully paid equity shares | | | | |
| Vyomesh Mahipatray Shah | 7,540,000 | 10.37% | 7,540,000 | 10.37% |
| Hemant Mahipatray Shah | 5,990,000 | 8.24% | 5,990,000 | 8.24% |
| Falguni Vyomesh Shah | 5,789,772 | 7.96% | 5,789,772 | 7.96% |
| Hemant Mahipatray Shah (HUF) | 4,980,500 | 6.85% | 4,980,500 | 6.85% |
| Vyomesh Mahipatray Shah (HUF) | 3,925,000 | 5.40% | 3,925,000 | 5.40% |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---------------------------------------|---|---|
| Note 18. Other Equity | | |
| Securities premium reserve | | |
| Balance at the beginning of the year | 64,379.05 | 64,379.05 |
| Add / (Less) : | | |
| Appropriations | - | - |
| Balance at the end of the year | 64,379.05 | 64,379.05 |

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

| | | |
|---------------------------------------|-----------------|-----------------|
| Debenture redemption reserve | | |
| Balance at the beginning of the year | 4,659.15 | 4,659.15 |
| Add / (Less) : | | |
| Amount transferred to general reserve | - | - |
| Balance at the end of the year | 4,659.15 | 4,659.15 |

A debenture redemption reserve is a reserve that any Indian company that issues debentures must create to protect investors against the possibility of default by the Company.

| | | |
|---|------------------|-----------|
| General reserve | | |
| Balance at the beginning of the year | 29,787.06 | 29,787.06 |
| Add / (Less) : | | |
| Amount transferred from Debenture redemption reserve | - | - |
| Balance at the end of the year | 29,787.06 | 29,787.06 |

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

| | | |
|--|-----------------|----------|
| Capital Reserve | | |
| Balance as per Last Financial Statements | 5,785.21 | 5,785.21 |
| Transferred During the year | | - |
| Balance at the end of the year | 5,785.21 | 5,785.21 |

Capital Reserves represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

| | | |
|---|-------------------|-------------------|
| Retained Earnings | | |
| Balance at the beginning of the year | 50,290.15 | 52,898.96 |
| Ind AS 115 Net Effect | (482.51) | - |
| Profit / (Loss) for the year (Refer Footnote b) | (1,503.84) | (2,616.56) |
| Items of OCI recognised directly in retained earnings | 37.16 | 7.75 |
| Balance at the end of the year | 48,340.97 | 50,290.15 |
| Total | 152,951.44 | 154,900.62 |

Footnote:

- The Company, owing to liquidity issues, has not invested / deposited as at 31st March, 2019: ₹ 294.76 lakhs (at 31st March, 2018: ₹ 310.46 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.
- During the year the company had consolidated certain subsidiaries based on management compiled financial statements. However, the audited financial statements had significant variations compared to the management compiled financial statements considered for consolidation. Accordingly, the figures for the year ended March 31, 2018 have been restated to give effect of such variation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Note 19. Borrowings | | |
| Non Current Secured | | |
| (i) Debentures | | |
| 40,00,000 (As at March 31, 2018: 40,00,000) Compulsorily convertible debentures of the face value of ₹ 100/- each (Refer footnote a) | 4,000.00 | 4,000.00 |
| 300 (As at 31st March, 2018: 300) 0% Redeemable non-convertible debentures of the face value of ₹ 10,00,000 each (Refer Footnote b) | 1,504.29 | 4,531.38 |
| (ii) Term Loans | | |
| - From banks (Refer footnote c) | 12,380.36 | 18,407.99 |
| - From a Company (Refer footnote g) | 9,984.96 | 5,737.21 |
| - From financial institutions (Refer footnote d) | 34,341.64 | 38,918.13 |
| | 62,211.25 | 71,594.71 |
| (iii) Other Loans | | |
| - Liability component of preference shares (At amortised cost) | | |
| 1,12,500 (As at 31st March, 2018: 1,12,500) 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each fully paid up (Refer Footnote e) | 29.62 | 26.93 |
| - Loan from Others (Refer Footnote f) | 21.45 | 53.50 |
| | 62,262.32 | 71,675.14 |
| Less: Transferred to Current Maturities | | |
| Of Long Term Debentures | - | - |
| Of Long Term Loan from Banks | (12,370.50) | (18,392.94) |
| Of Long Term Loan from Financial Institutions | (17,669.23) | (12,671.31) |
| Of Long Term Loan from Companies | (5,861.95) | (1,376.10) |
| Of Long Term Loan from Others | (16.45) | (28.29) |
| | (35,918.13) | (32,468.64) |
| Total | 26,344.19 | 39,206.50 |

Footnotes:

- 17.75% Debentures of ₹4,000 Lacs have a term of 84 months from issue date (20,00,000 debentures issued on 01/02/2013 and 20,00,000 debentures issued on 10/06/2013) same can be converted into Class "B" Shares in whole or in part at the option of the investor but not before 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.
- Secured term loans from banks carry interest rates within a range of 9.60% to 16.60 %. The nature of securities are:

| Name of lenders | Security Offered (Further secured by personal guarantee of one or more promoters) |
|------------------------|--|
| 1 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. |
| 2 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. |
| 3 ICICI Car Loan | i. Vehicle loan secured against the assets of the Company |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

Note 19. Borrowings (Contd.)

- d. (i) An amount of 15,295.80 Lakhs carry interest rate at 21% p.a repayable in quarterly installment starting from 30th September 2019. This amount is secured by mortgage of land and structures on project located in Andheri (East), Matunga, Kelavali, Ghodivali, Raigad, Mulund, Khalapur and Majiwade; first charge by way of over the receivable and escrow account collection from above project; irrevocable and unconditional Personal Guarantee(s) of Mr. Hemant Shah and Mr. Vyomesh Shah; corporate guarantee of Heet Builders Private Limited and Citygold Education Research Limited Pledge of shares of Heet Builder Private Limited, Citygold Education Research Limited held by Hubtown Limited and pledge of 70,00,000 shares of Hubtown Limited.
- (ii) Secured loan from Indiabulls Housing Finance Limited (financial institution) carries IRR of 28.36%. This loan is secured against mortgage of property of the Company located at Andheri (East).
- e. The preference shares have been classified as a financial liability as per Ind AS 32 and 109 if the issuer does not have the unconditional right to avoid cash outflow at the end of the term of preference shares, the instrument is classified as a financial liability. Hence they have been grouped under non-current borrowings.
- f. Secured loans of ₹ 21.45 lakhs are vehicle loans from others, which carry interest rates within a range of 9.5% - 11% and are repayable by May, 2021.
- g. UCO Bank has transferred the Loan amount including interest thereon amounting to ₹ 18,287.94 lakhs as on 31st March 2017 to the third party "Invent Asset Securitisation & Reconstruction Private Limited (Company)" vide letter dated 11.04.2017. The said loan has been settled at ₹ 15,500.00 lakhs via letter dated 27.11.2017 from Invent Asset Securitisation & Reconstruction Private Limited (company). The loan carries 0% interest rate and repayable within 5 years and have been measured at fair value. The loan is secured against Property located at Mulund, Thane and Andheri (East) and also first charge on lease rent receivable from said Premises.

Details of repayment of long term borrowings are as follows :

| Particulars | *Up to 1 year | 2 to 5 years | Above 5 years | Total |
|--|------------------|------------------|---------------|------------------|
| Debenture | - | 5,504.29 | - | 5,504.29 |
| Term loans from Banks | 12,370.50 | 9.86 | - | 12,380.36 |
| Term loans from Company \$ | 5,861.95 | 4,123.02 | - | 9,984.96 |
| Term loan from Financial Institution # | 17,669.23 | 16,672.40 | - | 34,341.63 |
| Loan from Others | 16.45 | 34.63 | - | 51.08 |
| Total | 35,918.13 | 26,344.19 | - | 62,262.32 |

* Including overdue amounts

\$ Measured at fair value

Measured at amortized cost (net of transaction cost)

- g. Period and amount of continuing default as on balance sheet date in repayment of term loans and interest :

| Particulars | 31 March, 2019 | | 31 March, 2018 | |
|-----------------------|------------------|---------------|----------------|---------------|
| | ₹ in lakhs | Period | ₹ in lakhs | Period |
| Term loans from Banks | | | | |
| Overdue installments | 12,370.50 | Before Apr 17 | 15,937.02 | Before Apr 17 |
| Interest | 875.65 | Before Apr 17 | 4,177.53 | Before Apr 17 |
| Interest | 2,427.11 | Before Apr 18 | - | - |
| Total | 15,673.26 | | 20,114.56 | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|--|--|
| Note 19. Borrowings | | |
| Current | | |
| Secured | | |
| (i) Working Capital Loan from Bank (Refer footnote a and Footnote to Note 15) | 1,434.08 | 1,293.20 |
| (ii) Loans from Financial Institutions (Refer footnote b) | 3,226.68 | 4,950.00 |
| (iii) Loans repayable on demand: | | |
| - From Companies (Refer footnote c & d) | 6,620.43 | 4,488.04 |
| | 11,281.19 | 10,731.24 |
| Unsecured | | |
| Loans repayable on demand: | | |
| - From Related Party | 274.72 | 10.31 |
| - From Companies (Refer footnote e) | 14,252.62 | 16,331.92 |
| - From Others (Refer footnote e) | 92.08 | 1.14 |
| | 14,619.42 | 16,343.37 |
| Total | 25,900.61 | 27,074.61 |

Footnote:

- Working capital loan from bank carries interest rate of 19.30% (31st March, 2018: 17.30%). 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. The said account of the Company has been attached by the Maharashtra State CID in connection with ongoing case with regards to a commercial transaction with an erstwhile associate company. [Refer Note 33(F)(b)]
- Secured loan from financial institution carries average interest rate of 16.50%. This 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) and Land situated at Uran, District Raigad and Kopari, Thane.
- Secured loans from companies carry interest rate of 21% and are repayable on demand. However, loan from a company amounting to ₹ 2944.13 lakhs (As at 31st March, 2018: ₹ 3040.26 lakhs) is interest free. These Loans are secured against mortgage of unsold area of the commercial project at Andheri (East) and Jogeshwari (East) and secured against pledge of equity shares in the Company held by the promoters.
- Secured loan of Dena Bank has become NPA and has assigned the loan amount including interest thereon amounting to ₹ 21000 lakhs as on 28th November, 2018 to a third party "International Asset Reconstruction Company Private Limited (IARC)" vide letter dated 24 December, 2018. The loan is secured against properties located at Mumbai. The said loan liability has been shown under secured loan from Companies and terms of loan is under process.
- Unsecured loans from companies and others carry interest rates within a range of 0% to 27% and are repayable on demand.
- Period and amount of default as on Balance Sheet date in repayment of term loans and interest :

| Particulars | 31st March, 2019 | | 31st March, 2018 | |
|-----------------------------------|------------------|------------------------|------------------|--------|
| | (₹ in lakhs) | Period | (₹ in lakhs) | Period |
| Loans from Financial Institutions | | | | |
| Overdue installments | 3,226.68 | February/19 | - | |
| Interest (Net of TDS) | 149.70 | Jan to March 19 | 19.09 | Mar-18 |
| | 3,376.38 | | 19.09 | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|---|---|---|
| Note 20. Other financial liabilities | | |
| Non-current | | |
| Retention money payable (Refer Footnote c) | 850.01 | 959.73 |
| Lease deposits from tenants | 128.98 | 107.76 |
| Advance Lease Rentals | 94.94 | 83.04 |
| Advance Finance Income | 4,283.41 | 6,731.08 |
| Other Payables | - | 147.58 |
| On account of Shares with Differential Voting Rights | 13,534.27 | 13,648.77 |
| Total | 18,891.61 | 21,677.96 |
| Current | | |
| Current maturities of long-term debts (Refer Note 19) | 35,918.13 | 32,468.64 |
| Interest accrued and due on borrowings | 7,812.38 | 9,435.41 |
| Interest accrued but not due on borrowings | 1.33 | 30.71 |
| Retention money payable | 53.86 | 475.83 |
| Unpaid matured debentures and interest accrued thereon (Refer footnote a & b) | 2,086.04 | 2,199.01 |
| Unclaimed/unpaid dividends | 1.06 | 2.01 |
| Current account balance in firms and joint venture | 7,045.94 | 5,663.37 |
| Business advance received (including related parties) | 4,469.07 | 618.27 |
| Advance received from others | 7,583.42 | 6,011.00 |
| Security deposits (Refundable) | 15,080.72 | 14,883.90 |
| Advance Finance Income(Refer Footnote g to Note 18 Non Current Borrowings) | 2,447.67 | 2,447.67 |
| Advance Lease Rentals | 33.11 | 22.35 |
| Other payables (Refer Note c) | 30,825.21 | 41,392.36 |
| Total | 113,357.94 | 115,650.53 |

Footnotes:

- a. As per fourth consent terms dated 2nd February, 2018, outstanding amount to be repayable with interest @ 20% p. a., of which last installment was to be redeemed on or before 31st March 2018. 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 the Company. The said Debentures has been matured and unpaid amounting to ₹ 2086.04 Lakhs has been disclosed under other current financial liability. However the Company is in the process of renegotiating the terms of the Non – Convertible Debentures with the Debenture holders.
- b. Period and amount of default as on the Balance Sheet date in respect of matured debentures and interest accrued thereon :

| | 31 March, 2019 | | 31 March, 2018 | |
|---|-----------------|------------|-----------------|------------|
| | (₹ in lakhs) | Period | (₹ in lakhs) | Period |
| Overdue Instalments: | | | | |
| 10,000 (As at 31st March, 2018: 10,000) Redeemable non-convertible debentures of the face value of ₹ 100,000 each | 1,965.08 | 31/03/2018 | 2,069.72 | 31/03/2018 |
| Interest : | | | | |
| 10,000 (As at 31st March, 2018: 10,000) Redeemable non-convertible debentures of the face value of ₹ 100,000 each | 120.96 | 31/03/2018 | 129.29 | 31/03/2018 |
| Total | 2,086.04 | | 2,199.01 | |

- c. Retention Money liability to the contractors which are not due for payment as at 31st March, 2019 have been shown under the head “Other Financial Liabilities” as per Ind AS-32. As per the management, the retention liability is in the nature of holding the amount as guarantee towards performance and does not relate to credit period given by the contractor. Further in the opinion of the management, there has not been any authoritative clarification / interpretation with regard to measurement of fair value in respect of above item hence retention liability has not been discounted as on 31st March, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|-----------------------------|---|---|
| Note 21. Provisions | | |
| Non-current | | |
| Employee Benefits | | |
| Provision for Gratuity | 61.38 | 80.34 |
| Provision for leave benefit | 163.87 | 133.01 |
| Total | 225.25 | 213.35 |
| Current | | |
| Employee Benefits | | |
| Provision for Gratuity | 253.10 | 207.68 |
| Provision for leave benefit | 98.72 | 91.20 |
| Other Provisions | 33.65 | 30.15 |
| Total | 385.47 | 329.03 |

Note 22. Trade payables

| | | |
|----------------|------------------|------------------|
| Dues to MSME | 203.96 | - |
| Dues to others | 17,544.33 | 16,663.28 |
| | 17,748.29 | 16,663.28 |

Footnotes:

- The average credit period on purchases is 6 to 9 months.
- Details of dues to Micro, Small and Medium Enterprises as defined under Micro Small Medium Enterprises Development Act, 2006 :
- The above information has been provided as available with the Company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED Act. The overdue principal amounts outstanding to the extent ₹ 203.96 Lakhs (P.Y- Nil) are payable to such vendors at the Balance Sheet date. The interest on overdue amount has not been provided/paid since there are differences in supplier account balances is under reconciliation.

Note 23. Other Liabilities

Current

| | | |
|--|-------------------|-------------------|
| Advance from customers | 54,578.56 | 39,418.44 |
| Advance Against property | 48,623.95 | 51,024.23 |
| Overdrawn bank balances as per books of accounts | 248.05 | 397.73 |
| Other payables : | | |
| - Statutory dues | 2,286.47 | 5,911.78 |
| - Employees benefit payables | 350.81 | 295.91 |
| - Others | 748.16 | 5,194.45 |
| | 106,836.00 | 102,242.54 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|--|
| Note 24. Revenue from operations | | |
| Sale from operations : | | |
| Sale of properties / rights in projects (Net) (Refer footnote a) | 40,246.51 | 51,292.87 |
| Revenue from sale of Trading Materials | 651.59 | 799.62 |
| | 2,027.92 | - |
| Loss on Cancellation of Sale of shares in Joint ventures (Refer footnote c) | - | (142.31) |
| Project Management Consultancy Service | 1,348.97 | - |
| Share of Profit from Partnership Firm | 314.36 | 325.36 |
| | 44,589.34 | 52,275.54 |
| Other operating revenue : | | |
| Income on investments in Joint ventures developing real estate projects (Refer footnote b) | 1,025.67 | 1,213.65 |
| Unwinding of Interest free loans | 36.79 | 32.34 |
| Lease rentals | 993.22 | 1,196.13 |
| Amortisation of lease rentals | 5.59 | - |
| Sundry credit balances appropriated | 44.98 | 63.24 |
| Liabilities written back to the extent no longer required | 334.12 | 111.60 |
| Provision for doubtful debts and diminution written back | 28.50 | 1.60 |
| Compensation received on surrender of rights | - | 1,100.00 |
| Miscellaneous Income | 19.86 | 274.07 |
| | 2,488.73 | 3,992.63 |
| Total | 47,078.08 | 56,268.17 |

Footnotes:

- Sale of Properties is net of ₹ 12,000.00 lakhs (For 2017-18: ₹ NIL) on account of reversal of revenue recognised in previous year.
- The company has not recognised finance income amounting to ₹ 22025.05 lakhs (For 2017-18: ₹ 18,508.44 lakhs) from Deep Discount Bonds held in one of its joint venture entities as the terms of the said Bonds relating to tenure of the Bonds and redemption premium are under negotiation with the issuer.
- The Company has sold its entire holding in the share capital of Giraffe Developers Private Limited, vide sale deed dated 15th February, 2017. The sale transaction has been cancelled in previous year due to non approval from hypothecator of Giraffe Developers Private Limited shares.

Note 25. Other income

| | | |
|---|-----------------|-----------|
| Interest Income: | | |
| - Debentures | 21.62 | - |
| - Loans | 127.18 | 389.01 |
| - Bank fixed deposits | 115.50 | 104.35 |
| - Interest Income on financial asset at amortised cost | 307.71 | 253.61 |
| Income on account of OTS (Refer footnote i to iv) | 2,870.63 | 14,714.04 |
| Interest write back | 751.28 | 6,971.32 |
| Interest waiver | - | 313.63 |
| Interest income on financial liabilities measured at fair value(Refer Footnote (g) to Note 19 Non Current Borrowings) | 2,455.75 | 1,224.63 |
| Surplus on sale / discardment of fixed assets (Net) | 0.42 | 1,133.08 |
| Gain on sale of investments | 0.78 | - |
| Gain on foreign currency fluctuation (Net) | 0.24 | - |
| Gain on Investments measured at FVTPL | 16.34 | - |
| Compensation / surrender of rights | 10.00 | 1,000.00 |
| Management and Professional Fees Received | - | 1,118.15 |
| Liabilities/Advance written back | 352.94 | 648.81 |
| | 380.73 | 3,900.04 |
| Miscellaneous income | 779.14 | 1,183.05 |
| Total | 7,809.54 | 29,053.68 |

Footnotes:

- Income on account of OTS included waiver of outstanding interest thereon from Oriental Bank of Commerce amounting to ₹ 1220.63 lakhs.
 - The Parent Company has taken over debts of Rubix Trading Private Limited (Subsidiary of its Associate Vinca Developers Private Limited) amounting to ₹ 2350.00 lakhs for which Parent Company was guarantor to Deutsche Investment India Private Limited (Lender). The said Debt was settled at ₹ 700 Lacs by signing consent term with the lender. The differential amount of ₹ 1650.00 lakhs has been disclosed under income on account of OTS.
 - In Previous year Income on account of OTS includes waiver of outstanding loan and interest thereon from Bank of Maharashtra and Dena Bank amounting to ₹ 11,868.43 lakhs and ₹ 57.67 lakhs respectively.
 - In Previous year UCO bank has assigned the loan to Invent Asset Securitisation & Reconstruction Private Limited with vide letter dated 11.04.17. The Waiver of said loan amounting to ₹ 2787.94 lakhs has been accounted as income on account of OTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|---|--|--|
| Note 26. Costs Of Construction / Development | | |
| Construction costs incurred during the year | | |
| Land / rights acquired | 1,920.03 | 2,842.22 |
| Material and labour costs | 9,086.80 | 10,609.28 |
| Approval and consultation expenses | 2,668.39 | 1,440.34 |
| Other direct development expenses | 1,851.57 | 2,220.38 |
| Total | 15,526.79 | 17,112.22 |

Note 27. Changes In Inventories Of Incomplete Projects, Finished Properties And FSI

Opening Inventory :

| | | |
|--|-------------------|-------------------|
| Stock at Site | | |
| Floor Space Index (FSI) | 126.26 | 126.26 |
| Incomplete projects | 166,266.04 | 169,098.47 |
| Finished Properties | 117.29 | 120.66 |
| | 166,509.59 | 169,345.39 |
| Add / (Less): | | |
| Purchase Return - Land | (14.80) | (335.69) |
| Project expenses written off (Refer Note 31) | (184.16) | (2,568.54) |
| On account of Dilution in subsidiary | (39,896.98) | - |
| on account of Aquisition of Subsidiary | 212.59 | - |
| On account of adoption of Ind AS 115 (Net) (Refer Note 41) | 26,547.88 | - |
| | 153,174.11 | 166,441.16 |

Closing Inventory :

| | | |
|-------------------------|-------------------|-------------------|
| Floor Space Index (FSI) | 126.26 | 126.26 |
| Incomplete projects | 146,863.01 | 166,266.04 |
| Finished Properties | 672.60 | 117.29 |
| | 147,661.87 | 166,509.59 |
| Total | 5,512.24 | (68.43) |

Note 28. Employee Benefits Expense

| | | |
|---|-----------------|-----------------|
| Salaries, bonus, etc. | 2,188.92 | 2,090.42 |
| Contribution to provident and other funds | 149.14 | 78.52 |
| Staff welfare expenses | 24.39 | 39.65 |
| Other fund expenses | 3.98 | 4.91 |
| Total | 2,366.43 | 2,213.50 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 (CONTD.)

| | Year ended 31st March, 2019 (₹ in lakhs) | Year ended 31st March, 2018 (₹ in lakhs) |
|--|--|--|
| Note 29. Finance Costs | | |
| Interest costs:- | | |
| Interest on Debentures | 604.91 | 1,884.43 |
| Interest on Fixed loans | 18,449.46 | 29,947.61 |
| Unwinding of security deposit | 2,199.50 | 138.51 |
| Interest Expense on financial liabilities measured at fair value | - | 939.79 |
| Other interest expense and Finance Charges | 551.69 | 1,180.39 |
| Delayed/penal interest on loans and statutory dues | 232.13 | 1,001.89 |
| Less: Finance Cost Capitalised | (205.12) | - |
| Total | 21,832.57 | 35,092.62 |

Footnote:

- a. The Parent Company has not provided for interest amounting to ₹ 21,713.04 lakhs (P.Y. : ₹ 4162.00 lakhs) on certain corporate deposits as the Company is in the process of re-negotiating the terms / waiver of interest by respective lenders.

In line with IND AS-23 'Borrowing Costs' issued by The Institute of Chartered Accountants of India, borrowing costs of ₹ 7198.44 lakhs (For 2017-18: ₹ 7405.45 lakhs) have been capitalised to inventory.

Note 30. Depreciation and Amortisation Expenses

| | | |
|---|---------------|---------------|
| Depreciation of property, plant and equipment | 163.23 | 166.20 |
| Amortization of intangible assets | 3.64 | 3.64 |
| Depreciation of investment property | 148.33 | 147.13 |
| Total | 315.20 | 316.97 |

Note 31.

Other Expenses

| | | |
|---|-----------------|------------------|
| Insurance | 59.58 | 62.06 |
| Rent | 289.09 | 159.97 |
| Rates and taxes | 460.33 | 245.13 |
| Advertisement expenses | 480.83 | 579.36 |
| Advances and other debit balances written off (Refer Footnote a) | 729.55 | 10,107.54 |
| Donations | - | 1.46 |
| Bad Debts | 91.32 | 19.88 |
| Corporate Social Responsibility (CSR) activities (Refer Note b) | 70.00 | 385.25 |
| Brokerage | 751.06 | 274.50 |
| Directors' fees and travelling expenses | 26.18 | 26.74 |
| Commission to non-executive directors | 18.63 | 15.72 |
| Provision for doubtful debts and advances | - | 76.20 |
| Repairs and society maintenance charges | 133.25 | 271.33 |
| Legal and professional fees | 1,781.12 | 736.77 |
| Prospective projects written off (Refer Note 27) | 107.63 | 2,568.54 |
| Compensation Paid | - | 2,100.00 |
| Cancellation of Compensation for rights in Project | - | 8,452.86 |
| Investment written off (Refer footnote (g) (h) and (j) to Note 7) | - | 4,976.60 |
| Loss on sale of investment | 1,341.00 | - |
| Other expenses | 1,559.05 | 1,265.59 |
| Total | 7,898.62 | 32,325.50 |

Footnote:

- a. The Company has given advances to certain companies towards potential interest in their projects. Due to cancellation of approvals, continuing losses and no movement in the project status, in the opinion of the management such advances/ receivables aggregating ₹ 662.02 lakhs (for F.Y 2017-18 ₹ 7066.49 lakhs) being non- recoverable were written off during the year.
- b. CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 32.42 Lakhs (Previous Year ₹ 34.00 lakhs), the actual amount spent during the year is ₹ 70.00 lakhs (Previous year ₹ 385.25 lakhs) for the purpose other than construction/acquisition of an assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Note 32. | | |
| EARNINGS PER SHARE (EPS) | | |
| Basic and Diluted Earning Per Share (In `) | (2.07) | (3.60) |
| Basic and Diluted EPS | | |
| The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows | | |
| Profit for the year attributable to the owners of the Company | (1,503.84) | (2,616.56) |
| Weighted average number of equity shares for the purposes of basic and diluted earnings per share (Nos.) | <u>7,27,35,871</u> | <u>7,27,35,871</u> |

Note 33.

CONTINGENT LIABILITIES (NOT PROVIDED FOR)

| | | |
|--|--------------------------------|-------------------------|
| (A) Claims against the Company, not acknowledged as debts on account of:- | | |
| (a) Income Tax, Service Tax and MVAT matters under Appeal | 8,106.75 | 4,955.40 |
| (b) Towards pending legal cases | 89,924.07 | 57,291.93 |
| (B) On account of land purchased in two 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. | Amount not determinable | Amount not determinable |
| (C) 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 there against.) | 1,07,208.30 | 69,693.59 |
| (D) Other commitments : | | |
| a) Bank Guarantees against various projects | 1,075.93 | 995.00 |
| b) Towards amounts to be deposited against undertaking given to the Hon'ble Sessions Court (Refer footnote a to Note 18 Current Borrowings) | 5,900.00 | 5,900.00 |
| (E) Disputes and differences have arisen between the company (as promoters of one of the joint venture namely Rate Townships Private Limited) and investors (IL&FS and IIRF) on the issue of exercising put option by the investor which the promoters has challenged. The investors has invoked Arbitration clause of share subscription and shareholders agreement on the said matter. | Amount unascertainable | - |

Footnote:

- 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 include corporate guarantees issued by the Company and are relied upon by the Auditors.
- The management is of the view that it was necessary to provide the corporate guarantees to further the business interest of the Company in the entities on whose behalf such guarantees have been provided and the management is of the view that there would be no sustainable claims on the Company in respect of these corporate guarantees. The rate of interest, processing fees, any other charges levied by the lenders on the entities availing loans are based on internal guidelines of the lenders depending on the merits of the underlying projects and their estimated cash flows. Majority of the corporate guarantees issued by the Company are basically to provide comfort by the Company as a shareholder of the Borrower entity to the Lenders. These corporate guarantees, in any case, do not result in any additional benefits to the borrowers. Accordingly, the financial liability on account of financial guarantee contracts have not been fair valued as these are expected to be immaterial.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 34. Related Parties Disclosures

A. Names of related parties and description of relationship

| | Country of Incorporation | Companies holding as at (%) | |
|--|--------------------------|-----------------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |

I. Associates

| | | | | |
|---|--------------------------------------|-------|--------|--------|
| 1 | Giraffe Developers Private Limited | India | 48.00% | 48.00% |
| 2 | Shubhsiddhi Builders Private Limited | India | 50.00% | 50.00% |
| 3 | Vinca Developer Private Limited | India | 49.00% | 49.00% |
| 4 | Whitebud Developers Limited | India | 50.00% | 50.00% |

II. Joint Ventures

| | | | | |
|----|---|-------|--------|--------|
| 1 | Akruti GM Joint Venture | India | 77.00% | 77.00% |
| 2 | Akruti Jay Chandan Joint Venture | India | 50.00% | 50.00% |
| 3 | Akruti Jay Developers | India | 66.66% | 66.66% |
| 4 | Akruti Kailash Constructions | India | 90.00% | 90.00% |
| 5 | Akruti Steelfab Corporation (Under Process of Dissolution) | India | - | 55.00% |
| 6 | Hubtown Bus Terminal (Adajan) Private Limited | India | 45.00% | 45.00% |
| 7 | Hubtown Bus Terminal (Ahmedabad) Private Limited | India | 45.00% | 45.00% |
| 8 | Hubtown Bus Terminal (Mehsana) Private Limited | India | 45.00% | 45.00% |
| 9 | Hubtown Bus Terminal (Surat) Private Limited | India | 45.00% | 45.00% |
| 10 | Hubtown Bus Terminal (Vadodara) Private Limited | India | 45.00% | 45.00% |
| 11 | Joyous Housing Limited | India | 25.00% | 25.00% |
| 12 | Rare Townships Private Limited | India | 40.00% | 40.00% |
| 13 | Rising Glory Developers | India | 75.00% | 86.30% |
| 14 | Shreenath Realtors | India | - | 92.50% |
| 15 | Sunstream City Private Limited | India | 43.00% | 43.00% |
| 16 | Twenty Five South Realty Limited (formerly known as Hoary Realty Limited) | India | 61.27% | 61.27% |

III. Key management personnel

- Mr. Hemant M. Shah, Executive Chairman
- Mr. Vyomesh M. Shah, Managing Director

IV. Relatives of key management personnel

- Mrs. Lata M. Shah, Mother of Executive Chairman and Managing Director
- Mrs. Kunjal H. Shah, Wife of Executive Chairman
- Mrs. Falguni V. Shah, Wife of Managing Director
- Mr. Rushank V. Shah, Son of Managing Director
- Mr. Khilen V. Shah, Son of Managing Director
- Mr. Kushal H. Shah, Son of Executive Chairman
- Mrs. Nutan Dhanki, Sister of Executive Chairman and Managing Director
- Mrs. Hemanti Parekh, Sister of Executive Chairman and Managing Director
- Hemant M. Shah HUF- Karta Executive Chairman
- Mrs. Pratiti K. Shah, Daughter in Law of Managing Director
- Mrs. Meha R. Shah, Daughter in Law of Managing Director
- Mrs. Aishwarya K. Shah, Daughter in Law of Executive Chairman
- Vyomesh M. Shah HUF- Karta Managing Director
- Mahipatray V. Shah HUF- Karta Executive Chairman
- Mahipatray V. Shah Discretionary Trust- Trustees Executive Chairman and Managing Director
- Estate of Mahipatray V. Shah – Beneficiaries Executive Chairman and Managing Director

VI. Non Executive directors and Enterprises over which they are able to exercise significant influence (where transaction have taken place)

- Sunil C Shah
- Abhijit B Datta
- Priti K Shah
- Shailesh G Hingarh

V. Enterprises where key management personnel or their relatives exercise significant influence

(Where transactions have taken place)

- Adhivitiya Properties Limited
- Helik Advisory Limited
- Sheshan Housing And Area Development Engineers Limited (From 1st April, 2015)
- Vishal Nirman (India) Limited
- Buildbyte. Com. (India) Private Limited
- Celeste Joint Venture
- Citygold Management Services Private Limited
- Distinctive Realty Private Limited
- E Commerce Magnum Solution Limited
- Fern Infrastructure Private Limited
- Fourjone Realtors Private Limited
- Heeler Hospitality Private Limited
- Helictite Residency Private Limited
- High Scale Trading Private Limited
- Hubtown Solaris Maintance Private Limited
- Ichha Constructions Private Limited
- Lista City Private Limited
- Merrygold Buildcon Private Limited
- Starzone Developers Private Limited
- Sunmist Builders Private Limited
- Sunstone Devlopers Joint Venture
- Superaction Realty Private Limited
- Trans Gulf MEP Engineers Private Limited
- Heet Builders Private Limited (from 23rd Feb, 2019)
- Wellgroomed Developers Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 34. Related Parties Disclosures (Contd.)

B. Transactions with Related Parties

(₹ in lakhs)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|-------------|--|---------------------|----------------|--|
| i. | Loans and Advances received/ recovered/ adjusted | | | |
| | Twenty Five South Realty Limited | - | - | - |
| | | - | (296.08) | - |
| | Sunstream City Private Limited | - | - | - |
| | | - | (650.90) | - |
| | Fern Infrastructure Private Limited | - | - | 4.00 |
| | | - | - | (2,866.21) |
| | Adhivitiya Properties Limited | - | - | - |
| | | - | - | (1.00) |
| | Vishal Nirman (India) Ltd | - | - | - |
| | | - | - | (54.34) |
| ii. | Loans and Advances given/ repaid/adjusted | | | |
| | Twenty Five South Realty Limited | - | - | - |
| | | - | (71.99) | - |
| | Fern Infrastructure Private Limited | - | - | - |
| | | - | - | (150.30) |
| | Rare Townships Private Limited | - | 1,355.00 | - |
| | | - | - | - |
| | Distinctive Realty Private Limited | - | - | 0.20 |
| | | - | - | (369.51) |
| | Kunjai Hemant Shah | - | - | 908.34 |
| | | - | - | - |
| | Rubix Trading Private Limited | - | 2,350.00 | - |
| | | - | - | - |
| | Adhivitiya Properties Limited | - | - | - |
| | | - | - | (10.90) |
| iii. | Business Advances received / recovered / adjusted | | | |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | 2,453.61 | - |
| | | - | (70.50) | - |
| | Hubtown Bus Terminal (Adajan) Pvt Ltd | - | 21.00 | - |
| | | - | - | - |
| | Hubtown Bus Terminal (Mehsana) Pvt Ltd | - | 34.70 | - |
| | | - | (20.00) | - |
| | Sunstream City Private Limited | - | 1,829.00 | - |
| | | - | (4.00) | - |
| | Citygold Management Services Private Limited | - | - | 237.85 |
| | | - | - | (375.13) |
| | Giraffe Developers Private Limited | 985.00 | - | - |
| | | (13,663.75) | - | - |
| iv. | Business Advances given / repaid / adjusted | | | |
| | | - | - | - |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | 219.50 | - |
| | | - | (182.81) | - |
| | Hubtown Bus Terminal (Adajan) Pvt Ltd | - | 111.00 | - |
| | | - | (449.69) | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 34. Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|-------------|--|---------------------|----------------|--|
| | Hubtown Bus Terminal (Mehsana) Pvt Ltd | - | 503.50 | - |
| | | - | (172.44) | - |
| | Hubtown Bus Terminal (Vadodara) Pvt Ltd | - | - | - |
| | | - | (65.98) | - |
| | Sunstream City Private Limited | - | 1,166.17 | - |
| | | - | (1,109.27) | - |
| | Wellgroomed Developers Limited | - | - | - |
| | | - | (107.50) | - |
| | Whitebud Developers Limited | 6.75 | - | - |
| | | (5.50) | - | - |
| | Buildbyte.Com (India) Private Limited | - | - | - |
| | | - | - | (39.50) |
| | Starzone Developers Private Limited | - | - | - |
| | | - | - | (1.00) |
| | Citygold Management Services Private Limited | - | - | 540.88 |
| | | - | - | (740.60) |
| | Adhivitiya Properties Limited | - | - | 1.25 |
| | | - | - | - |
| | Giraffe Developers Private Limited | - | 9,690.68 | - |
| | | - | - | - |
| | Shubhsiddhi Builders Private Limited | - | - | - |
| | | (5.00) | - | - |
| v. | Interest income on loans/Debenture | | | |
| | Twenty Five South Realty Limited | - | 769.43 | - |
| | | - | (1,213.65) | - |
| | Joyous Housing Limited | - | 26.92 | - |
| | | - | (21.49) | - |
| | Rare Townships Private Limited | - | 51.12 | - |
| | | - | - | - |
| vi. | Directors' Remuneration | | | |
| | Hemant M. Shah | - | - | 78.35 |
| | | - | - | (70.20) |
| | Vyomesh M. Shah | - | - | 88.09 |
| | | - | - | (69.05) |
| vii. | Comission to Non whole-time Directors | | | |
| | Sunil Shah | - | - | 5.08 |
| | | - | - | (4.60) |
| | Abhijit Datta | - | - | 5.08 |
| | | - | - | (4.60) |
| | Priti K Shah | - | - | 5.08 |
| | | - | - | (4.60) |
| | Shailesh Hingarh (upto 28th Feb, 2019) | - | - | 3.39 |
| | | - | - | - |
| | Shirish Gajendragadkar | - | - | - |
| | | - | - | (1.92) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 34. Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--------------|---|---------------------|----------------|--|
| viii. | Remuneration to Relatives of KMPs | | | |
| | Rushank Shah | - | - | 27.03 |
| | | - | - | (27.03) |
| | Khilen Shah | - | - | 27.03 |
| | | - | - | (27.03) |
| | Kushal Shah | - | - | 17.68 |
| | | - | - | (6.87) |
| ix. | Contribution in Partner's Current Account | | | |
| | Celeste Joint Venture | - | - | 932.25 |
| | | - | - | - |
| | Akruti Kailash Constructions | - | - | - |
| | | - | - | (258.86) |
| | Shreenath Realtors | - | - | - |
| | | - | - | (112.00) |
| | Rising Glory Developers | - | 3,802.54 | - |
| | | - | (35,304.62) | - |
| | Akruti Jay Developers | - | - | - |
| | | - | (309.48) | - |
| | Akruti Jay Chandan | - | 1,155.74 | - |
| | | - | (694.29) | - |
| | Sunstone Developers Joint Venture | - | 2,035.41 | - |
| | | - | (4,446.58) | - |
| | Akruti GM JV | - | 499.61 | - |
| | | - | (97.12) | - |
| x. | Amount Withdrawn from Partner's Current Account | | | |
| | Akruti Jay Developers | - | 217.90 | - |
| | | - | (348.28) | - |
| | Akruti Jay Chandan JV | - | - | - |
| | | - | (2,567.09) | - |
| | Akruti Steelfab Corporation | - | - | - |
| | | - | (28.79) | - |
| | Akruti Kailash Constructions | - | 1,936.85 | - |
| | | - | (2,508.33) | - |
| | Shreenath Realtors | - | - | - |
| | | - | (250.00) | - |
| | Rising Glory Developers | - | - | - |
| | | - | (31,290.70) | - |
| | Akruti GM JV | - | - | - |
| | | - | (217.50) | - |
| | Sunstone Developers JV | - | - | - |
| | | - | (1,589.35) | - |
| xi. | Sale of properties/rights/Material/services (Net of GST) | | | |
| | Twenty Five South Realty Limited | - | - | - |
| | | - | (154.51) | - |
| | Joyous Housing Limited | - | 920.00 | - |
| | | - | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 34. Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--------------|---|---------------------|----------------|--|
| | Hubtown Solaris Maintance Private Limited | - | - | 428.97 |
| | Sunstone Developers Joint Venture | - | - | 8,866.79 |
| | Fourjone Realtors Private Limited | - | - | (2,932.11) |
| | Fourjone Realtors Private Limited | - | - | - |
| xii. | Purchase of properties/rights/Material/services (Net of GST) | | | |
| | Brainpoint Infotech Private Limited | - | - | 72.19 |
| | Brainpoint Infotech Private Limited | - | - | - |
| xiii. | On behalf payments made (Including reimbursement of expenses) | | | |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | - | - |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | (33.04) | - |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | - | - |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | (48.46) | - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - | 585.53 | - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - | (27.84) | - |
| | Hubtown Bus Terminal (Vadodara) Private Limited | - | - | - |
| | Hubtown Bus Terminal (Vadodara) Private Limited | - | (32.79) | - |
| | Sunstream City Private Limited | - | 113.76 | - |
| | Sunstream City Private Limited | - | - | - |
| | Brainpoint Infotech Private Limited | - | - | - |
| | Brainpoint Infotech Private Limited | (20.00) | - | - |
| | Distinctive Realty Private Limited | - | - | - |
| | Distinctive Realty Private Limited | - | - | (20.39) |
| | Citygold Management Services Private Limited | - | - | - |
| | Citygold Management Services Private Limited | - | - | (2.46) |
| | Celeste Joint Venture | - | - | - |
| | Celeste Joint Venture | - | - | (394.65) |
| | Giraffe Developers Private Limited | 278.99 | - | - |
| | Giraffe Developers Private Limited | (80.43) | - | - |
| | Wellgroomed Developers Limited | - | - | - |
| | Wellgroomed Developers Limited | - | - | (0.51) |
| | Starzone Developers Private Limited | - | - | 0.35 |
| | Starzone Developers Private Limited | - | - | - |
| | Buildbyte. Com. (India) Private Limited | - | - | 0.51 |
| | Buildbyte. Com. (India) Private Limited | - | - | - |
| | Akruti Jay Developers | - | - | - |
| | Akruti Jay Developers | - | (1.53) | - |
| xiv. | On behalf payments received/adjusted | | | |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | 248.95 | - |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | (24.00) | - |
| | Akruti Jay Developers | - | - | - |
| | Akruti Jay Developers | - | (10.61) | - |
| | Brainpoint Infotech Private Limited | - | - | - |
| | Brainpoint Infotech Private Limited | (98.34) | - | - |
| | Starzone Developers Private Limited | - | - | 7.55 |
| | Starzone Developers Private Limited | - | - | - |
| | Mahipatray V. Shah HUF | - | - | 71.32 |
| | Mahipatray V. Shah HUF | - | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 34. Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------------|--|---------------------|----------------|--|
| xv. | Advances/Other Debit balance written off | | | |
| | Shreenath Realtors | - | - | - |
| | | - | (1,361.49) | - |
| | Primeria Co-Ventures | - | - | - |
| | | - | (0.77) | - |
| | Fern Infrastructure Private Limited | - | - | (2,107.01) |
| xvi. | Investment write off in Partnership/Joint Venture/Subsidiaries | | | |
| | Shreenath Realtors | - | - | - |
| | | - | (775.00) | - |
| | Primeria Co-Ventures | - | - | - |
| | | - | (1.60) | - |
| | | - | - | - |
| xvii | (a). Advance received against FSI | | | |
| | Khilen Shah | - | - | 100.00 |
| | | - | - | - |
| xvii | b). Advance received against FSI repaid | | | |
| | Khilen Shah | - | - | 693.94 |
| | | - | - | - |
| xviii. | Received against sale | | | |
| | Sunstone Developers Joint Venture | - | - | 8,866.79 |
| | | - | - | (7,369.60) |
| | Fourjone Realtors Private Limited | - | - | - |
| | | - | - | (74.96) |
| | | - | - | - |
| xix. | Share of profit from Partnerships/Joint Ventures | | | |
| | Akruti Jay Chandan JV | - | 18.57 | - |
| | | - | (41.59) | - |
| | Akruti Jay Developers | - | 307.71 | - |
| | | - | (257.10) | - |
| | Rising Glory Developers | - | 0.55 | - |
| xix. | Sunstone Developers | - | 15.63 | - |
| | | - | - | - |
| | Akruti GM JV | - | 0.45 | - |
| | | - | (66.45) | - |
| | | - | - | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 34. Related Parties Disclosures (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------------|---|---------------------|----------------|--|
| xx. | Share of loss from Partnerships/Joint Ventures | | | |
| | Akruti Kailash Constructions | - | 30.95 | - |
| | | - | (32.99) | - |
| | Rising Glory Developers | - | - | - |
| | | - | (0.06) | - |
| | Sunstone Developers | - | - | - |
| | | - | - | (6.61) |
| | Celeste Joint Venture | - | - | 0.26 |
| | | - | - | (0.01) |
| xxi. | Corporate guarantees given for loans availed by others | | | |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | 1,263.07 | - |
| | | - | - | - |
| | Sunstream City Private Limited | - | 65.53 | - |
| | | - | (349.47) | - |
| | Twenty Five South Realty Limited | - | 12,041.25 | - |
| | | - | (63,374.59) | - |
| | Hubtown Bus Terminal (Vadodara) Private Limited | - | - | - |
| | - | (27.05) | - | |
| | Rare Townships Private Limited | - | - | - |
| | | - | (177.33) | - |
| | Giraffe Developers Private Limited | - | - | - |
| | | (5,113.53) | - | - |
| xxii. | Corporate Guarantees vacated for loans availed by others | | | |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | 708.49 | - |
| | | - | (96.65) | - |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | - | - | - |
| | | - | (5,208.14) | - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - | 604.93 | - |
| | | - | (576.57) | - |
| | Fern Infrastructure Private Limited | - | - | - |
| | - | - | (5,142.99) | |
| | Rare Townships Private Limited | - | 3,397.91 | - |
| | | - | - | - |
| | Twenty Five South Realty Limited | - | - | - |
| | | - | (46,774.45) | - |
| xxiii. | Bank Guarantees vacated for loans availed by others | | | |
| | Hubtown Bus Terminal (Adajan) Private Limited | - | 263.45 | - |
| | | - | - | - |
| | Hubtown Bus Terminal (Mehsana) Private Limited | - | 839.76 | - |
| | | - | - | - |
| | Hubtown Bus Terminal (Vadodara) Pvt Ltd | - | 332.13 | - |
| | | - | - | - |
| | Shreenath Realtors | - | 10.00 | - |
| | | - | - | - |
| xxiv. | Sundry Balances written back | | | |
| | Akruti Steelfab Corporation | - | - | - |
| | | - | (22.84) | - |
| xxv. | Cancellation of Compensation for rights in Project | | | |
| | Sunstream City Private Limited | - | - | - |
| | | - | (8,452.86) | - |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 35.

The Consolidated financial statements present the consolidated accounts of the Company with its Subsidiaries, Associates and Joint Ventures which incorporate AcruTi Safeguard Systems Private Limited (ASSPL), a subsidiary of the Company engaged in manufacturing activities whose commercial operations have commenced but do not meet the quantitative threshold of a reportable segment as per IndAS 108. Further, the group operates within a single geographical segment.

Note 36. Financial Risk Management Objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

1) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument which will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity/ real estate risk. Major financial instruments affected by market risk include loans and borrowings.

a) Interest rate risk

Majority of the long-term borrowings of the Group bear fixed interest rate, thus interest rate risk is limited for the Group.

b) Foreign currency risk

The Group has limited exposure to foreign exchange risk. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. Further the Group is engaged in real estate business and only imports certain material against Letter of Credit for which hedging instruments are not required.

c) Equity price risk

The Group's equity securities are not majorly susceptible to market price risk. However, the company's board of directors reviews and approves all equity investment decisions after taking due diligence which may affect the market related risk.

2) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, cash and cash equivalents and receivable from group companies.

a) Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of possession, therefore, substantially eliminating the Group's credit risk in this respect.

b) Receivables resulting from other than sale of properties: Credit risk related to such receivables is managed as per Group Company's established policy, procedures and control. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major receivables. The Parent Company does not hold collateral as security. The Group Companies credit period generally ranges from 30 to 90 days.

c) Credit risk on cash and cash equivalents is limited as the Group keeps its cash balance in Current Accounts / Fixed Deposit Accounts with the Banks which have high credit ratings.

3) Liquidity risk

The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 37. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim is to maintain an optimal capital structure and minimise cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may issue new shares. Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total net debt (borrowings offset by cash and cash equivalents) divided by equity attributable to the parents of the Company.

Gearing Ratio

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call loans and borrowings.

The gearing ratio at the reporting period was as follows

| | As at 31st March, 2019 (₹ in lakhs) | As at 31st March, 2018 (₹ in lakhs) |
|--|---|---|
| Secured Loan | 73,543.51 | 82,406.38 |
| Unsecured Loan | 14,619.42 | 16,343.37 |
| Interest accrued and due/and but not due | 7,813.71 | 9,466.12 |
| Unpaid matured debentures and interest accrued thereon | 2,086.04 | 2,199.01 |
| Total Debt | 98,062.67 | 1,10,414.87 |
| Less: Cash and cash equivalents | 3,271.73 | 2,220.00 |
| Net Debt (A) | 94,790.94 | 1,08,194.87 |
| Equity Share Capital | 7,273.59 | 7,273.59 |
| Other Equity | 1,52,951.44 | 1,54,900.62 |
| Total Equity (B) | 1,60,225.03 | 1,62,174.20 |
| Debt Equity Ratio (A/B) | 0.59 | 0.67 |

Note 38: Categories Of Financial Instruments Fair Value measurement

| | 31st March, 2019 | | 31st March, 2018 | |
|--------------------------------|------------------|--------------------|------------------|----------------|
| | FVPL / FVOCI | Amortised Cost | FVPL / FVOCI | Amortised Cost |
| Financial Assets | | | | |
| Investments | 100.94 | 1,61,751.87 | 232.49 | 1,70,698.84 |
| Trade receivables | - | 31,482.85 | | 45,073.69 |
| Cash and cash equivalents | - | 3,271.73 | | 2,220.00 |
| Bank balances other than above | - | 1,741.80 | | 837.72 |
| Loans | - | 10,273.87 | | 8,469.75 |
| Other financial assets | - | 66,242.24 | | 63,379.56 |
| Total | 100.94 | 2,74,764.36 | 232.49 | 2,90,679.56 |
| Financial Liabilities | | | | |
| Borrowings | - | 52,244.80 | - | 66,281.10 |
| Trade payables | - | 17,748.29 | - | 16,663.28 |
| Other Financial liabilities | - | 1,32,249.56 | - | 1,37,328.50 |
| Total | - | 2,02,242.65 | - | 2,20,272.88 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

i) Fair Value hierarchy

This section explains the judgements and estimates in determining the fair value of the financial instruments that are recognised and measured at fair value

| Financial assets and liabilities measured at fair value - recurring fair value measurements | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|---------------|
| At 31st March 2019 | | | | |
| Financial Assets | | | | |
| Financial Investments at FVPL | 100.94 | - | - | 100.94 |
| Total Financial Assets | 100.94 | - | - | 100.94 |
| Financial assets and liabilities measured at fair value - recurring fair value measurements | Level 1 | Level 2 | Level 3 | Total |
| At 31st March 2018 | | | | |
| Financial Assets | | | | |
| Financial Investments at FVPL | 232.49 | - | - | 232.49 |
| Total Financial Assets | 232.49 | - | - | 232.49 |

Level 1

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3

If one or more of the significant inputs is not based on observable market data, the instruments is included in level 3.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

Note 39. Interest in Other Entities

39.1 Subsidiaries

The Group's subsidiaries as at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

| Name of the Entity | Country of Incorporation | Ownership interest held by the group | | Ownership interest held by the Non controlling interest | | Pricipal Activities |
|--|--------------------------|--------------------------------------|------------------|---|------------------|--------------------------|
| | | 31st March, 2019 | 31st March, 2018 | 31st March, 2019 | 31st March, 2018 | |
| Name of the Subsidiaries: | | | | | | |
| ABP Realty Advisors Private Limited (applied for strike off 19/03/2019) | India | - | 100.00% | - | - | Real Estate Development |
| Ackruti Safeguard Systems Private Limited | India | 72.43% | 72.43% | 27.57% | 27.57% | Security Plates |
| Citygold Education Research Limited | India | 100.00% | 100.00% | - | - | Education Research |
| Citygold Farming Private Limited | India | 100.00% | 100.00% | - | - | Infrastruture Facilities |
| Citywood Builders Private Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Devkrupa Build Tech Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Diviniti Projects Private Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Gujarat Akruti - TCG Biotech Limited | India | 74.00% | 74.00% | 26.00% | 26.00% | Infrastruture Facilities |
| Halitious Developer Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Headland Farming Private Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Heddle Knowledge Private Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Heet Builders Private Limited (upto 22nd February 2019) | India | - | 94.40% | - | 5.60% | Real Estate Development |
| India Development And Construction Venture Capital Private Limited (applied for strike off 19/03/2019) | India | 100.00% | 100.00% | - | - | Venture Capiatl |
| Joynest Premises Private Limited | India | 74.00% | 74.00% | 26.00% | 26.00% | Real Estate Development |
| Upvan Lake Resorts Private Limited | India | 75.00% | 75.00% | 25.00% | 25.00% | Real Estate Development |
| Urvi Build Tech Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Vama Housing Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Vega Developers Private Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Vishal Techno Commerce Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Yantti Buildcon Private Limited | India | 100.00% | 100.00% | - | - | Real Estate Development |
| Sanas Developeres Private Limited (from 19/02/2019) | India | 51.00% | - | 49.00% | - | Real Estate Development |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

39.2 Non Controlling Interest (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra group eliminations,

₹ in lakhs

| Particulars | Ackruti Safeguard Systems Private Limited | | Gujarat Ackruti -TCG Biotech Limited | | Sanas Devloperes Private Limited | |
|---|---|-------------------|--------------------------------------|------------------|----------------------------------|------------------|
| | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 |
| Non-Current Assets | 318.88 | 352.67 | 3,006.18 | 2,804.56 | 11.26 | - |
| Current Assets | 371.59 | 300.61 | 1.82 | 2.57 | 232.99 | - |
| Non-Current Liabilities | 15.63 | 40.47 | 1,847.69 | 1,564.81 | 1.75 | - |
| Current Liabilities | 1,765.38 | 1,794.68 | 369.90 | 366.04 | 255.11 | - |
| Net Assets | (1,090.54) | (1,181.87) | 790.41 | 876.29 | (12.61) | - |
| Net Assets Attributable to NCI | (300.66) | (325.84) | 205.51 | 227.84 | (6.18) | - |
| Revenue | 212.51 | 182.09 | 1.94 | 8.91 | - | - |
| Profit/(Loss) For the Year | 60.71 | 30.70 | (85.90) | 113.28 | - | - |
| Other Comprehensive Income | - | - | - | - | - | - |
| | 60.71 | 30.70 | (85.90) | 113.28 | - | - |
| Profit/(Loss) allocated to NCI | 16.74 | 8.46 | (22.33) | 29.45 | - | - |
| Dividend paid to NCI | - | - | - | - | - | - |
| OCI allocated to NCI | - | - | - | - | - | - |
| Total Comprehensive Income allocated to NCI | 16.74 | 8.46 | (22.33) | 29.45 | - | - |
| Cash Flow From Operating Activities | (14.42) | (4.77) | (0.25) | (2.70) | - | - |
| Cash Flow From Investing Activities | 25.45 | 9.48 | - | - | - | - |
| Cash Flow From Financing Activities | (0.18) | (0.51) | (0.53) | (0.02) | - | - |
| Net increase/(decrease) in cash and cash equivalents | 10.85 | 4.20 | (0.78) | (2.72) | - | - |

| Particulars | Joynest Premises Private Limited | | Upvan Lake Resorts Private Limited | |
|---|----------------------------------|------------------|------------------------------------|------------------|
| | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 |
| Non-Current Assets | 399.56 | 1,288.56 | 0.35 | 0.65 |
| Current Assets | 27,610.22 | 25,180.16 | 7.60 | 16.06 |
| Non-Current Liabilities | 4,139.54 | 4,231.70 | 9.00 | 9.00 |
| Current Liabilities | 14,920.39 | 13,171.82 | 21.38 | 31.67 |
| Net Assets | 8,949.85 | 9,065.20 | (22.43) | (23.96) |
| Net Assets Attributable to NCI | 2,326.96 | 2,356.95 | (5.61) | (5.99) |
| Revenue | 183.99 | 430.83 | 2.08 | 12.65 |
| Profit/(Loss) For the Year | (160.83) | (205.21) | 1.56 | 8.86 |
| Other Comprehensive Income | (0.13) | - | - | - |
| Total Comprehensive Income | (160.96) | (205.21) | 1.56 | 8.86 |
| Profit/(Loss) allocated to NCI | (41.85) | (53.36) | 0.39 | 2.21 |
| Dividend paid to NCI | - | - | - | - |
| OCI allocated to NCI | - | - | - | - |
| Total Comprehensive Income allocated to NCI | (41.85) | (53.36) | 0.39 | 2.21 |
| Cash Flow From Operating Activities | 722.87 | 110.14 | (1.13) | 6.69 |
| Cash Flow From Investing Activities | (490.32) | 136.43 | - | - |
| Cash Flow From Financing Activities | (97.87) | (246.82) | (0.23) | (6.69) |
| Net increase/(decrease) in cash and cash equivalents | 134.68 | (0.25) | (1.36) | (0.00) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

39.3 Interest in associates and joint venture

(₹ in lakhs)

| | Note | Carrying amount as at | |
|----------------------------|---------------|-----------------------|------------------|
| | | 31-Mar-19 | 31-Mar-18 |
| Interest in associates | See (A) below | 5,415.41 | 5,140.42 |
| Interest in joint ventures | See (B) below | 47,400.39 | 50,500.72 |
| | | 52,815.80 | 55,641.14 |

(A) Interest in associates

The Group's associates as at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

| Name of the entity | Country of incorporation | Ownership interest (%) | Carrying amount as at * | | Principal Activities |
|--------------------------------------|--------------------------|------------------------|-------------------------|-----------------|-------------------------|
| | | | 31-Mar-19 | 31-Mar-18 | |
| Shubhsiddhi Builders Private Limited | India | 50.00% | - | - | Real Estate Development |
| Vinca Developer Private Limited | India | 49.00% | - | - | Real Estate Development |
| Whitebud Developers Limited | India | 50.00% | - | - | Real Estate Development |
| Giraffe Developers Private Limited | India | 49.00% | 5,415.41 | 5,140.42 | Real Estate Development |
| | | | 5,415.41 | 5,140.42 | |

* Unlisted entity - no quoted price available

(B) Interest in joint ventures

The Group's joint ventures as at 31 March 2019 are set out below. Joint Venture in the nature of companies have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. Capital contribution in Joint venture in the nature of Partnership firms or AOP are disclosed in carrying amount. The country of incorporation is also their principal place of business

(₹ in lakhs)

| Name of the entity | Country of incorporation | Ownership interest (%) | Carrying amount as at * | | Principal Activities |
|--|--------------------------|------------------------|-------------------------|------------------|--|
| | | | 31-Mar-19 | 31-Mar-18 | |
| Twenty Five South Realty Limited (Formerly known as Hoary Realty Limited) | India | 61.27% | 28,918.08 | 29,272.02 | Real Estate Development Real Estate Development |
| Hubtown Bus Terminal (Adajan) Private Limited # | India | 45.00% | 612.25 | 671.83 | Real Estate Development |
| Hubtown Bus Terminal (Ahmedabad) Private Limited # | India | 45.00% | 3,966.46 | 4,001.41 | Real Estate Development |
| Hubtown Bus Terminal (Mehsana) Private Limited # | India | 45.00% | 1,031.34 | 1,095.73 | Real Estate Development |
| Hubtown Bus Terminal (Vadodara) Private Limited # | India | 45.00% | 154.17 | 156.07 | Real Estate Development |
| Joyous Housing Limited | India | 25.00% | - | - | Real Estate Development |
| Rare Townships Private Limited # | India | 40.00% | 11,731.31 | 11,853.60 | Real Estate Development |
| Sunstream City Private Limited | India | 43.00% | - | - | Real Estate Development |
| Joint Venture in the nature of Partnership Firm / AOP | | | | | |
| Akruti GM JV | India | 77.00% | 700.00 | 700.00 | Real Estate Development |
| Akruti Jay Chandan JV | India | 50.00% | 282.40 | 282.40 | Real Estate Development |
| Akruti Jay Developers | India | 66.66% | 2,467.50 | 2,467.50 | Real Estate Development |
| Akruti Kailash Constructions | India | 90.00% | 0.50 | 0.50 | Real Estate Development |
| Akruti Steelfab Corporation | India | 55.00% | - | - | Real Estate Development |
| Shreenath Realtors | India | 92.50% | - | - | Real Estate Development |
| | | | 49,864.01 | 50,501.08 | |

#) Includes carrying amount in shares with differential voting rights

* Unlisted entity - no quoted price available

Refer Note 39.4 for the table below provide summarised financial information for material joint ventures. The information disclosed reflects the amount presented in the financial statement of the relevant Joint Venture and not Group's share of those amounts. They have been amended to reflect adjustments made by the Group when using the equity method, including modifications for difference in accounting policies.

Though the Group's investment in some of the entities above exceed 50% of the total share capital / total capital contribution, these entities have been classified as joint venture. The management has assessed whether or not the group has control over these entities based on whether the group has practical ability to direct relevant activities unilaterally. In these cases, based on specific shareholders agreement / Partnership deed, the management concluded that the group does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other shareholders / partners.

During the years ended 31st March 2019 and 31st March 2018, the Group did not receive dividends from any of its joint ventures

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

39.4 Summarised Balance Sheet for material Joint Venture:

(₹ in lakhs)

| | Twenty Five South Realty Pvt Ltd | | Joyous Housing Limited | | Rare Townships Private Limited | | Sunstream City Private Limited | |
|--|----------------------------------|------------------|------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|
| | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 |
| Cash and cash equivalents | 647.50 | 1,662.35 | 1,316.17 | 6581.95 | 105.91 | 279.94 | 970.67 | 12.19 |
| Other Assets | 1,67,817.40 | 1,18,146.54 | 83,749.07 | 69233.47 | 62241.00 | 58,922.72 | 102741.43 | 104547.09 |
| Total Current Assets | 1,68,464.89 | 1,19,808.89 | 85065.23 | 75815.42 | 62,346.91 | 59,202.66 | 103712.10 | 104559.29 |
| Non - Current Assets | 2,175.25 | 1,990.11 | 6260.84 | 6359.30 | 455.91 | 965.50 | 66.00 | 72.75 |
| Current Financial Liabilities (excluding trade payables) | 27,473.10 | 21,313.07 | 6966.10 | 4375.47 | 6396.10 | 4,686.26 | 6248.37 | 6440.47 |
| Other Liabilities | 40,313.46 | 16,361.63 | 1510.64 | 1404.35 | 37432.86 | 34,338.42 | 584.52 | 953.53 |
| Total Current Liabilities | 67,786.56 | 37674.70 | 8476.75 | 5779.82 | 43,828.95 | 39,024.68 | 6832.89 | 7394.00 |
| Non - Current Financial Liabilities (excluding trade payables) | 86,325.26 | 66,773.55 | 77451.02 | 70610.80 | 830.93 | 2444.75 | 97466.87 | 97749.50 |
| Other Liabilities | 12.83 | 257,583.82 | 1685.33 | 2179.39 | 5.61 | 361.99 | 0.00 | 0.00 |
| Total Non - Current Liabilities | 86,338.09 | 67031.13 | 79136.35 | 72790.19 | 836.54 | 2806.75 | 97466.87 | 97749.50 |
| Net Assets | 16515.49 | 17093.17 | 3712.97 | 3604.72 | 18137.33 | 18336.74 | (521.66) | (511.46) |
| Group Share of Net Assets | 10119.04 | 10472.98 | 928.24 | 901.18 | 7254.93 | 7334.70 | (224.31) | (219.93) |
| Reconciliation of carrying amounts of material Joint Venture: | | | | | | | | |
| Group share of net assets | 10,119.04 | 10,472.98 | 928.24 | 901.18 | 7,254.93 | 7,334.70 | (224.31) | (219.93) |
| Goodwill | 18,799.04 | 18,799.29 | - | - | 4,476.36 | 4,518.90 | - | - |
| Other Adjustments | - | (0.26) | (928.24) | (901.18) | - | - | 224.31 | 219.93 |
| Carrying amount | 28,918.08 | 29,272.02 | - | - | 11,731.30 | 11,853.59 | - | - |

Summarised Statement of Profit and Loss of material Joint Venture

| | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 | 31st MARCH, 2019 | 31st MARCH, 2018 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue | 1,423.25 | 838.55 | - | - | 59.33 | 144.41 | 29.70 | 48.28 |
| Interest Income | 10.38 | 114.40 | 305.07 | 68.65 | 32.43 | 30.69 | 1.45 | 1.05 |
| Interest Expense | 24,408.54 | 12635.28 | 10,494.80 | 9029.34 | 1105.91 | 1370.78 | 282.20 | 338.40 |
| Depreciation & Amortisation | 335.08 | 127.74 | 2.90 | 11.17 | 261.34 | 304.63 | 9.72 | 10.47 |
| Income tax expense/ income | 299.28 | 145.38 | 175.93 | 405.68 | - | (78.81) | 0.00 | 0.00 |
| Profit/Loss from Continuing Operations | -580.13 | (536.98) | 122.77 | (357.08) | (313.64) | (366.72) | (5.43) | 4.49 |
| Post - Tax Profit/ Loss from Discontinued Operations | | | | | | | | |
| Other Comprehensive Income | 2.445 | 1.64 | 0.53 | (1.50) | 7.89 | 2.28 | 0.00 | 0.00 |
| Total Comprehensive Income | (577.68) | (535.35) | 123.30 | (358.57) | (305.75) | (364.44) | (5.43) | 4.49 |

Carrying amount of investments in Joint Venture:

(₹ in lakhs)

| | As at | |
|--|------------------|------------------|
| | 31st MARCH, 2019 | 31st MARCH, 2018 |
| Non-material Joint Venture | 9,214.64 | 9,375.46 |
| Material Joint Venture | 40,649.37 | 41,125.61 |
| Total | 49,864.01 | 50,501.08 |
| Share in Total Comprehensive Income (net): | | |
| Non-material Joint Venture | (161.40) | 32.89 |
| Material Joint Venture | (476.24) | (473.78) |
| Total | (637.64) | (440.90) |
| Contingent Liability in respect of Joint Venture | | |
| Share of contingent liabilities incurred jointly with other investors of the Joint venture | 4,949.63 | 1,395.97 |
| Share of Other Commitments | 12,996.00 | 12,996.00 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Note 41.

Loans and advances, other receivables, debtors and creditors are subject to confirmations and are considered payable / realisable, as the case may be.

Note 42.

As the Company Secretary was out of India, he could not attend the board meeting dated May 28, 2019 in which the Audited Financial statements were approved and hence he could not sign the said Financial Statements.

Note 43.

Previous year figures have been regrouped / reclassified / restate wherever necessary, to make them comparable with current year figures in the financial statements.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **M H DALAL AND ASSOCIATES**
Firm Registration No. 112449W
CHARTERED ACCOUNTANTS

DEVANG DALAL
PARTNER
Membership No. 109049
Mumbai
Date: May 28, 2019

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

NANCY PEREIRA
CHIEF FINANCIAL OFFICER

Mumbai
Date: May 28, 2019

FORM NO. – 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 / ASSOCIATES COMPANIES / JOINT VENTURES

PART 'A' – SUBSIDIARIES

(₹ in lakh)

| | 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 | Headland Farming Private Limited | Hedde Knowledge Private Limited |
|--------------------|--|--|--|--|---|--|--|--|---|-----------------------------------|---|--|
| Serial No. ↓ | PARTICULARS | \$ | \$ | | \$ | \$ | | | | | | \$ |
| 1. | The date since when subsidiary was acquired | 01.04.2009 | 09.04.2007 | 01.04.2009 | 01.04.2009 | 29.11.2014 | 14.12.2007 | 31.03.2001 | 11.01.2008 | 12.11.2007 | 01.04.2009 | 01.04.2009 |
| 2. | Reporting period of the subsidiary concerned, if different from the holding company's reporting period | 20.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 |
| 3. | Reporting currency | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| 4. | Share Capital | 5.00 | 26.76 | 230.50 | 259.75 | 1.00 | 5.00 | 5.00 | 1620.27 | 10.00 | 1.00 | 1.00 |
| 5. | Reserves and Surplus | (5.00) | (1118.12) | (168.97) | (599.85) | (910.48) | (895.96) | 499.68 | (829.86) | 424.38 | (212.67) | (1086.76) |
| 6. | Total Assets (including investments) | ---- | 654.27 | 3932.50 | 9803.88 | 14739.03 | 39.11 | 510.36 | 3008.00 | 510.88 | 564.56 | 3212.03 |
| 7. | Total Liabilities | ---- | 1745.63 | 3870.97 | 10143.98 | 15648.51 | 930.07 | 5.68 | 2217.59 | 76.50 | 776.23 | 4297.79 |
| 8. | Investments | ---- | 68.13 | 0.38 | ---- | ---- | ---- | 28.15 | ---- | ---- | ---- | 0.45 |
| 9. | Turnover / Total Income | 178.82 | 222.59 | 1.94 | 877.00 | 2919.39 | ---- | 12.07 | 1.94 | 0.23 | 9.56 | 24.45 |
| 10. | Profit / (Loss) before Taxation | 177.21 | 59.87 | (82.05) | (270.27) | 271.10 | (18.81) | 10.74 | (8.14) | (5.34) | (9.06) | (82.67) |
| 11. | Provision for Taxation (Add) / Less | ---- | ---- | ---- | ---- | ---- | ---- | 5.11 | (77.76) | (12.06) | ---- | ---- |
| 12. | Profit / (Loss) after Taxation | 177.21 | 59.87 | (82.05) | (270.27) | 271.10 | (18.81) | 5.63 | (85.90) | (6.72) | (9.06) | (82.67) |
| 13. | Proposed Dividend | ---- | --- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- |
| 14. | % of shareholding # | 100 % | 88.27 % | 2.17 * | 0.38 % * | 100 % | 100 % | 100 % | 74 % | 100 % | 100 % | 100 % |

\$ - based on management accounts for F. Y. 2018-2019.

* - considered as subsidiaries under Section 2 (87) (i) of the Companies Act, 2013.

- total share capital = equity share capital + convertible preference share capital.

@ - Under process of strike off pursuant to Section 248 of the Companies Act, 2013.

FORM NO. – 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 / ASSOCIATES COMPANIES / JOINT VENTURES

PART 'A' – SUBSIDIARIES

(₹ in lakh)

| | Name of Subsidiaries → | India Development and Construction Venture Capital Private Limited @ | Joyntest Premises Private Limited | Sanas Developers Private Limited | Upvan Lake Resorts Private Limited | Urvi Build Tech Limited | Vama Housing Limited | Vega Developers Private Limited | Vishal Techno Commerce Limited | Yantti Buildcon Private Limited |
|--------------|---|--|-----------------------------------|----------------------------------|------------------------------------|-------------------------|----------------------|---------------------------------|--------------------------------|---------------------------------|
| Serial No. ↓ | PARTICULARS | \$ | \$ | \$ | | | | \$ | | |
| 1. | The date since when subsidiary was acquired | 01.04.2009 | 15.02.2013 | 19.02.2019 | 18.02.2010 | 28.04.2008 | 31.03.2002 | 10.07.2010 | 30.06.2006 | 20.01.2010 |
| 2. | Reporting period of the subsidiary concerned. | 20.02.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 |
| 3. | Reporting currency | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| 4. | Share Capital | 5.00 | 10471.95 | 1.00 | 1.20 | 5.00 | 5.00 | 300.00 | 5.00 | 5.00 |
| 5. | Reserves and Surplus | (5.00) | (1521.71) | (13.61) | (23.63) | (189.04) | (271.54) | (12.86) | 1950.18 | (70.93) |
| 6. | Total Assets (including investments) | ---- | 28084.85 | 244.25 | 7.95 | 177.17 | 137.12 | 1791.74 | 18801.92 | 5780.30 |
| 7. | Total Liabilities | ---- | 19134.61 | 256.86 | 30.38 | 361.21 | 403.66 | 1504.60 | 16846.74 | 5846.23 |
| 8. | Investments | | ---- | ---- | ---- | ---- | 121.89 | ---- | 33.45 | ---- |
| 9. | Turnover / Total Income | ---- | 183.99 | ---- | 2.08 | 76.67 | ---- | 0.21 | 4.41 | 2.49 |
| 10. | Profit / (Loss) before Taxation | (0.55) | (160.83) | (1.01) | 0.75 | (15.74) | (6.25) | (1.29) | (31.43) | 0.15 |
| 11. | Provision for Taxation Add) / Less | ---- | ---- | ---- | (0.81) | (87.89) | 10.23 | ---- | (1.58) | ---- |
| 12. | Profit / (Loss) after Taxation | (0.55) | (160.83) | (1.01) | 1.56 | (103.63) | 3.98 | (1.29) | (29.85) | 0.15 |
| 13. | Proposed Dividend | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- |
| 14. | % of shareholding # | 100 % | 62.07 % | 51 % | 75 % | 100 % | 100 % | 100 % | 100 % | 100 % |

\$ - based on management accounts for F. Y. 2018-2019.

- total share capital = equity share capital + convertible preference share capital.

Notes :

- Names of Subsidiaries which are yet to commence operations : Nil
- Names of Subsidiaries which have been liquidated or sold during the year : Heet Builders Private Limited and E Commerce Magnum Solution Limited.
- @ - Under process of strike off pursuant to Section 248 of the Companies Act, 2013.

FORM NO. – 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 / ASSOCIATES COMPANIES / JOINT VENTURES

PART 'B' – ASSOCIATES AND JOINT VENTURES

(₹ in lakh)

| | Name of Associates / Joint Ventures | Giraffe Developers Private Limited | Subhsiddhi Builders Private Limited | Vinca Developer Private Limited | Whitebud 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 | Rare Townships Private Limited |
|--------------|---|------------------------------------|-------------------------------------|---------------------------------|------------------------------------|---|--|--|---|------------------------|--------------------------------|
| Serial No. ↓ | PARTICULARS | \$ | | \$ | | | \$ | | | | \$ |
| 1. | Latest Audited Balance Sheet Date | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 | 31.03.2019 |
| 2. | Date on which the Associate or Joint Venture was associated or acquired | 31.03.2018 | 29.11.2014 | 23.11.2009 | 20.08.1999 | 18.03.2009 | 17.05.2010 | 18.03.2009 | 18.03.2009 | 30.04.2004 | 27.03.2006 |
| 3. | Share of associate / joint venture held by the Company at the year end | | | | | | | | | | |
| | • Nos. | 7353 | 5000 | 6095 | 25000 | 165463 | 25000 | 150000 | 165275 | 25000 | 3262270 |
| | • Amount of Investment in Associates / Joint Venture | 5004.79 | 0.50 | 0.61 | 2.50 | 1062.49 | 2133.00 | 634.00 | 597.29 | 25.00 | 7445.84 |
| | • Extent of Holding % | 7.21 % | 50 % | 0.05 % | 50 % | 47.28 % | 46.30 % | 42.86 % | 47.22 % | 25 % | 35.10 % |
| 4. | Description of how there is significant influence * | See note (1) below | | | | | | | | | |
| 5. | Reason why the associate / joint venture is not consolidated | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- |
| 6. | Networth attributable to shareholding as per latest audited balance sheet | 1627.61 | (35.28) | 0.08 | (30.35) | 640.01 | 5154.37 | 893.48 | 305.96 | 919.98 | 6436.20 |
| 7. | Profit / (Loss) for the year | 561.42 | (61.30) | (11.92) | (0.19) | (133.74) | (80.49) | (143.23) | (4.19) | 122.76 | (313.64) |
| | Considered in consolidation | 274.99 | ---- | ---- | ---- | (60.18) | (36.22) | (64.45) | (1.89) | ---- | (125.46) |
| | Not considered in consolidation | 286.43 | (61.30) | (11.92) | (0.19) | (73.56) | (46.27) | (78.78) | (2.31) | 122.76 | (188.18) |

\$ based on management accounts for F. Y. 2018-2019

Note :

- * 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.
- 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 : Nil.

HUBTOWN

FORM NO. – 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 / ASSOCIATES COMPANIES / JOINT VENTURES

PART 'B' – ASSOCIATES AND JOINT VENTURES

(₹ in lakh)

| | Name of Associates / Joint Ventures → | Sunstream City Private Limited | Twenty Five South Realty Limited |
|------------------------|---|--------------------------------|----------------------------------|
| Serial No. ↓ | PARTICULARS | \$ | |
| 1. | Latest Audited Balance Sheet Date | 31.03.2019 | 31.03.2019 |
| 2. | Date on which the Associate or Joint Venture was associated or acquired | 20.05.2010 | 23.06.2015 |
| 3. | Share of associate / joint venture held by the Company at the year end | | |
| | • Nos. | 122000 | 22859 |
| | • Amount of Investment in Associates / Joint Venture | 12.20 | 29208.14 |
| | • Extent of Holding % | 40.67% | 47.49% |
| 4. | Description of how there is significant influence * | See note (1) below | |
| 5. | Reason why the associate / joint venture is not consolidated | — | — |
| 6. | Networth attributable to shareholding as per latest audited balance sheet | (212.16) | 7843.21 |
| 7. | Profit / (Loss) for the year | (5.43) | (580.13) |
| | Considered in consolidation | — | (355.44) |
| | Not considered in consolidation | (5.43) | (224.69) |

\$ - based on management accounts for F. Y. 2018-2019.

Note :

- * - 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.

For and on behalf of the Board

Hemant M. Shah
Executive Chairman

Vyomesh M. Shah
Managing Director

Nancy Pereira
Chief Financial Officer

Mumbai, May 28, 2019

HUBTOWN

[CIN : L45200MH1989PLC050688]

Registered Office : Plaza Panchsheel, 'A' Wing, 5th floor, Hughes Road, Behind Dharam Palace
Grant Road (West), Mumbai 400007 Phone: + 91 22 23660800; Fax: + 91 22 23660812;
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 (RTA) or with their respective Depository Participants (DP).

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.

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,

Madhavi Degaonkar
Authorised Signatory

| | |
|---|--|
| Name of the Shareholder (s) (In Block Letters) including Joint holders, if any | |
| | |
| | |

| | |
|----------------------|--|
| Folio No. | |
| DP ID No. | |
| Client ID No. | |

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.

| | |
|---------------------|--|
| E- mail - ID | |
|---------------------|--|

| | |
|---|--|
| Signature of the First Shareholder | |
|---|--|

Date : _____, 2019

Important Notes :

1. Members holding shares in demat form are requested to address and send the E-communication registration form to their respective depository participants (DP). Members are requested to keep the DP/RTA informed as and when there is any change in the e-mail address.
2. The above e-mail address will be registered, subject to verification of your signature with the specimen signature registered with the Company.
3. On registration, all communication will be sent to the e-mail id registered in the Folio No./DP ID and Client ID.

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HUBTOWN

(CIN : L45200MH1989PLC050688)

Registered Office : Plaza Panchsheel, 'A' Wing, 5th floor, Hughes Road, Behind Dharam Palace,
Grant Road (West), Mumbai 400007 Phone: + 91 22 23660800; Fax: + 91 22 23660812;
E-mail : investorcell@hubtown.co.in; 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 holders 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 Thirty First Annual General Meeting of the Company to be held on **WEDNESDAY, SEPTEMBER 25, 2019** at **10.00 a.m.** at 'Walchand Hirachand Hall', 4th 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 :

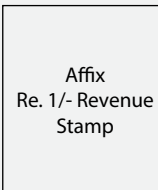
P.T.O

HUBTOWN

| Resolution No. | Particulars of Resolution | Vote (Optional Note 3) | |
|---------------------------|---|------------------------|---------|
| | | For | Against |
| Ordinary Business: | | | |
| 1. | Adoption of the Audited Financial Statements for the year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon; and | | |
| | Adoption of the Audited Consolidated Financial Statements for the year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon. | | |
| 2. | Reappointment of Mrs. Priti K. Shah (DIN : 01880436) as a Director of the Company liable to retire by rotation. | | |
| Special Business: | | | |
| 3. | Appointment of Mr. Mahesh A. Kuvadia as an Independent Non-Executive Director of the Company. | | |
| 4. | Reappointment of Mr. Abhijit Datta (DIN : 00790029) as an Independent Director of the Company. | | |
| 5. | Reappointment of Mr. Sunil C. Shah (DIN : 06947244) as an Independent Director of the Company. | | |
| 6. | Payment of remuneration to Mr. Hemant M. Shah (DIN : 00009659) in terms of Regulation 17 (6) (e) of the SEBI Listing Amendment Regulations, 2018. | | |
| 7. | Payment of remuneration to Mr. Vyomesh M. Shah (DIN : 00009596) in terms of Regulation 17 (6) (e) of the SEBI Listing Amendment Regulations, 2018. | | |
| 8. | Ratification of remuneration payable to the Cost Auditor. | | |
| 9. | Issuance of Non-convertible Debentures on private placement basis. | | |

Signed this _____ day of _____ 2019.

Signature of Member _____



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 31st Annual General Meeting.

HUBTOWN

[CIN : L45200MH1989PLC050688]

Registered Office : Plaza Panchsheel, 'A', Wing 5th floor, Hughes Road, Behind Dharam Palace,
Grant Road (West), Mumbai 400007

Phone: + 91 22 23660800; Fax: + 91 22 23660812; CIN : L45200MH1989PLC050688

E-mail : investorcell@hubtown.co.in ; Website : www.hubtown.co.in

THIRTY FIRST ANNUAL GENERAL MEETING – WEDNESDAY, SEPTEMBER 25, 2019

BALLOT FORM

[To be returned to the Scrutinizer appointed by the Company]

| | |
|--|--|
| Name(s) of Member(s) including Joint-holders, if any | |
| Registered Address of the Sole/First named member | |
| Registered Folio No. / DP ID No. * / Client ID No.* (* - applicable to investors holding shares in demat form) | |
| No. of shares held | |

I / We hereby exercise my / our vote in respect of the following resolutions to be passed at the Thirty First Annual General Meeting (AGM) of the Company to be held on **Wednesday, September 25, 2019** at **10.00 a.m.** in respect of businesses as stated in the Notice dated **August 14, 2019**, by conveying my/our assent or dissent to the said resolutions by placing the tick (✓) mark in the appropriate boxes given below :

| No. | Item No. | No. of shares held | I/We assent to the resolution [FOR] | I/We dissent to the resolution [AGAINST] |
|-----|---|--------------------|-------------------------------------|--|
| 1. | Adoption of the Audited Financial Statements for the year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon. | | | |
| | Adoption of the Audited Consolidated Financial Statements for the year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon. | | | |
| 2. | Reappointment of Mrs. Priti K. Shah (DIN : 01880436) as a Director of the Company liable to retire by rotation. | | | |
| 3. | Appointment of Mr. Mahesh A. Kuvadia as Independent Non-Executive Director of the Company. | | | |
| 4. | Reappointment of Mr. Abhijit Datta (DIN : 00790029) as an Independent Director of the Company. | | | |
| 5. | Reappointment of Mr. Sunil C. Shah (DIN : 06947244) as an Independent Director of the Company. | | | |
| 6. | Payment of remuneration to Mr. Hemant M. Shah (DIN : 00009659) in terms of Regulation 17 (6) (e) of the SEBI Listing Amendment Regulations, 2018. | | | |
| 7. | Payment of remuneration to Mr. Vyomesh M. Shah (DIN : 00009596) in terms of Regulation 17 (6) (e) of the SEBI Listing Amendment Regulations, 2018. | | | |
| 8. | Ratification of the remuneration payable to the Cost Auditor. | | | |
| 9. | Issuance of Non-convertible Debentures on private placement basis. | | | |

(Signature of the Member / Beneficial owner)

Place :

Date :

Note : Please read the instructions printed overleaf carefully before exercising your vote.

HUBTOWN

INSTRUCTIONS

1. The Ballot Form is provided for the benefit of the members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot or by physically voting at the AGM. If a member casts multiple votes, then voting done through e-voting shall be considered valid. In case a member casts votes by ballot and also physically votes at the AGM, then the votes cast by ballot shall be considered valid.
3. The Scrutinizer will collate the votes downloaded from the e-voting system, the votes cast by ballot and the votes cast on poll at the AGM to declare the final result for each of the resolutions forming part of the Notice of the AGM.
4. Please complete and sign the Ballot Form and send it so as to reach the Scrutinizer Mr. Ashish Bhatt, practising company secretary (Membership No. : FCS 4650; CP No. 2956) on or before Tuesday, September 24, 2019 [5.00 p.m. IST]. No other form or photocopy thereof is permitted.
5. Ballot Forms received after the said date / time shall be strictly treated as if the reply from the members has not been received.
6. The Ballot Form should be signed by the member as per the specimen signature registered with the Company/Depositories. In case of jointholding, the Form should be completed and signed by the first named member and in his/her absence, by the next named jointholder. A Power of Attorney holder (POA) may vote on behalf of a member, mentioning the registration no. of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of votes by Ballots not permitted through proxy.
7. In case the shares are held by companies, trusts, etc., the duly completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution / Authorization.
8. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the appropriate column provided in the Ballot Form.
9. The voting rights of the shareholders shall be in proportion of the share held by them in the paid-up equity share capital of the Company as on September 20, 2019 and as per the Register of Members of the Company.
10. A member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Ballot Form should reach the Scrutinizer not later than the date and time specified in serial no. 4 above.
11. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms shall be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which make it difficult for the Scrutinizer to identify either the member or as to whether the votes are cast in favour of or against or if the signature cannot be verified.
12. The decision of the Scrutinizer on the validity of a Ballot Form shall be final and binding.

HUBTOWN

HUBTOWN LIMITED

Regd Office: Plaza Panchsheel, 'A' Wing, 5th Floor, Hughes Road
Behind Dharam Palace, Grant Road (West), Mumbai 400007

www.hubtown.co.in