

**July 30, 2020**

To,

<b>BSE Limited</b> The Corporate Relationship Department 1 <sup>st</sup> Floor, P.J. Towers, Dalal Street Fort, Mumbai – 400 001  <b>Scrip Code: 532799</b>	<b>National Stock Exchange of India Limited</b> The Listing Department Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai – 400 051  <b>Symbol: HUBTOWN</b>
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Dear Sir / Madam,

**Sub: Outcome of the Board Meeting held on 30<sup>th</sup> July, 2020**

We write to inform you that pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations) that the Board of Directors of the Company in its meeting held today i.e. July 30, 2020 transacted the following business:

**Financials:**

- i) Approved pursuant to Regulation 33 of the Listing Regulations, the Audited Standalone Financial Results for Quarter and Year ended March 31, 2020; and the Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2020.
- ii) Copies of the said results alongwith the Reports issued by the Statutory Auditors together with statements showing impact of audit qualifications for the Standalone and Consolidated Financial Results are enclosed as **Annexure — I** and the same are being uploaded on the website of the Company i.e. [www.hubtown.co.in](http://www.hubtown.co.in).
- iii) The Audited Standalone and Consolidated Financial Results will also be published in the newspapers, in the format prescribed under Regulation 47(1) (b) of the SEBI Listing Regulations.

**Dividend:**

As a prudent economic measure and to conserve scarce liquid funds, the Directors have not recommended any dividend for the Financial Year 2019-2020.

**Appointment of Statutory Auditors of the Company:**

The Audit Committee and Board of the Company in its meeting held today, have recommended appointment of M/s. JBTM & Associates LLP, Chartered Accountants (Firm registration no. W100365) as statutory auditors of the Company for a term of five years, subject to approvals of the shareholders of the Company in ensuring annual general meeting of the Company. Said appointment is pursuant to applicable provisions of the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015



Brief Profile of M/s. JBTM & Associates LLP, Chartered Accountants is mentioned below:

Name of the Auditors	JBTM & Associates LLP, Chartered Accountant
Firm Registration No.	W100365
Date of Appointment	July 30, 2020
Brief profile	<p>J B T M &amp; Associates LLP is a Limited Liability Partnership firm incorporated on 13<sup>th</sup> December 2018.</p> <p>JBTM is serving as partners to some of the leading companies for helping them with accounting needs and freeing the management to focus on core business activities.</p> <p>Our key partners are:-</p> <p>1) CA Mahendra Turakhia – Head, Direct Tax Division, practicing since 1975.</p> <p>2) CA Yakshika Jain – Ex Ernst &amp; Young, Head, Indirect Tax Division, Practicing since 2016; and</p> <p>3) CA Dhairyra Bhuta - Ex Deloittee, Head Audit Division, practicing since 2016.</p>

**Appointment of Company Secretary and Compliance Officer:**

Mr. Sadanand Lad has been appointed as Company Secretary and Compliance Officer of the Company with effect from July 30, 2020 pursuant to Section 203 of the Companies Act, 2013 and Regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015.

Brief Profile of Mr. Sadanand Lad is mentioned below:

Name of the Company Secretary	Sadanand Lad
Membership No.	ACS – 19899
Date of Appointment	With effect from July 30, 2020
Brief profile	Mr. Sadanand Lad has around 25 years of experience in the field of Corporate Secretarial, IPO Management, Stock Exchange Compliances, Drafting and Documentation, Merger and Amalgamation, Restructuring, Accounts and Finance
Educational Qualification	B.Com, ACS
Work Experience	25 years



**Shifting of Registered Office of the Company:**

Shifting of Registered Office of the Company from Plaza Panchsheel, "A" Wing, 5<sup>th</sup> Floor, Hughes Road, Behind Dharam Palace, Grant Road (West), Mumbai- 400007 to **CTS NO. 469-A, Opp. Jain Temple, R. K. Chemburkar Marg, Mumbai 400071** with effect from **August 17, 2020.**

The meeting of the Board of Directors commenced at 5:30 p.m. and concluded at 7:45 p.m

We shall inform you in due course the date on which the Company will hold its Annual General Meeting for the year ended March 31, 2020.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,  
For **Hubtown Limited**

  
**Sunil Mago**  
**Chief Financial Officer**



**HUBTOWN LIMITED**

CIN : L45200MH1989PLC050688

Registered Office: 'Plaza Panchsheel', 'A' Wing, 5th Floor, Hughes Road, Behind Dharam Palace, Grant Road (West), Mumbai 400007

Phone : 91 22 66040800 ; 67037400 ; Fax : 91 22 66040812

E-mail : investorcell@hubtown.co.in ; Website : www.hubtown.co.in

**Statement of Audited Standalone Financial Results for the Quarter and Year ended March 31, 2020**

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1 Income</b>					
a. Revenue from Operations	3,016	11,080	2,765	25221	41716
b. Other Income	1,299	(157)	2,442	3615	7313
<b>Total Income (a+b)</b>	<b>4,315</b>	<b>10,923</b>	<b>5,207</b>	<b>28,836</b>	<b>49,029</b>
<b>2 Expenses</b>					
a. Cost of construction and development	3,307	3,379	4,980	12,556	13315
b. Purchases of stock-in-trade	110	62	152	472	454
c. Changes in inventories of work-in-progress, finished properties and FSI	(3,682)	(4,366)	(1,128)	(17,169)	15943
d. Employee benefits expense	486	361	390	1,558	1376
e. Finance costs	2,133	1,341	(27)	13,872	11463
f. Depreciation and amortisation expense	77	85	68	395	274
g. Advances and other debit balances written off	1,235	-	60	1,235	705
h. Provision for Doubtful Advances	2,949	-	-	6,674	-
i. Loss on sale of investment	-	-	1,341	-	1,341
j. Impairment of inventory on dissolution partnership firm (Refer note no.21 )	-	8,389	-	8,389	-
k. Other expenses	890	824	33	4,709	3,862
<b>Total Expenses (a+b+c+d+e+f+g+h+i+j+k)</b>	<b>7,505</b>	<b>10,075</b>	<b>5,869</b>	<b>32,691</b>	<b>48,733</b>
<b>3 Profit/(Loss) before Exceptional Item and Tax (1-2)</b>	<b>(3,190)</b>	<b>848</b>	<b>(662)</b>	<b>(3,855)</b>	<b>296</b>
<b>4 Add/(Less) : Exceptional Item (net of tax expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5 Profit/(Loss) before Tax (3+/-4)</b>	<b>(3,190)</b>	<b>848</b>	<b>(662)</b>	<b>(3,855)</b>	<b>296</b>
<b>6 Tax Expense / (Credit)</b>					
(Add)/Less :					
a. Current Tax	137	(252)	(26)	252	-
b. Deferred Tax Charge / (Credit)	(1,250)	3,425	301	1840	954
c. Short / (Excess) provision for taxation in earlier year	-	-	(1)	-	51
<b>Total Tax expense (a+/-b+/-c)</b>	<b>(1,113)</b>	<b>3,173</b>	<b>274</b>	<b>2,092</b>	<b>1,005</b>
<b>7 Net Profit/(Loss) for the period (5+/-6)</b>	<b>(2,077)</b>	<b>(2,325)</b>	<b>(936)</b>	<b>(5,947)</b>	<b>(709)</b>
<b>8 Other Comprehensive Income (net of tax)</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>60</b>	<b>31</b>
<b>9 Total Other Comprehensive Income/ (Loss) (7+8)</b>	<b>(2,077)</b>	<b>(2,325)</b>	<b>(940)</b>	<b>(5,887)</b>	<b>(678)</b>
<b>10 Paid-up Equity Share Capital - Face Value ₹ 10 each</b>	<b>7,274</b>	<b>7,274</b>	<b>7,274</b>	<b>7,274</b>	<b>7,274</b>
<b>11 Other equity (excluding revaluation reserve)</b>				<b>160,270</b>	<b>166,157</b>
<b>12 Earnings Per Equity Share of ₹ 10 each (not annualised)</b>					
₹ (Basic)	(2.86)	(3.20)	(1.29)	(8.18)	(0.98)
₹ (Diluted)	(2.86)	(3.20)	(1.29)	(8.18)	(0.98)



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Grant Road (West), Mumbai 400007  
Phone : 91 22 66040800 ; 67037400 ; Fax : 91 22 66040812  
E-mail : investorcell@hubtown.co.in ; Website : www.hubtown.co.in

**Statement of Audited Standalone Assets and Liabilities as at March 31, 2020**

		(₹ in Lakhs)	
Particulars		As at 31.03.2020 Audited	As at 31.03.2019 Audited
<b>A</b>	<b>ASSETS</b>		
<b>I</b>	<b>Non-current Assets</b>		
	(a) Property, plant and equipment	1,641	1,760
	(b) Investment Property	3,756	3,899
	(c) Intangible assets	60	-
	(d) Financial Assets		
	(i) Investments	167,629	164,376
	(ii) Trade Receivables	-	-
	(iii) Loans	561	519
	(iv) Other Financial Assets	582	202
	(e) Current Tax Assets	854	748
	(f) Deferred Tax Assets (net)	2,300	4,140
	(g) Other Non-current Assets	2,175	2,386
	<b>Sub-total - Non-current Assets</b>	<b>179,558</b>	<b>178,030</b>
<b>II</b>	<b>Current Assets</b>		
	(a) Inventories	133,829	103,008
	(b) Financial Assets		
	(i) Investments	287	2,478
	(ii) Trade Receivables	8,931	31,907
	(iii) Cash and cash equivalents	1,055	1,945
	(iv) Bank balances other than (iii) above	43	532
	(v) Loans	6,323	9,739
	(vi) Other Financial Assets	54,195	82,060
	(c) Other Current Assets	13,235	12,023
	<b>Sub-total - Current Assets</b>	<b>217,898</b>	<b>243,692</b>
	<b>TOTAL ASSETS (I+II)</b>	<b>397,456</b>	<b>421,722</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>I</b>	<b>Equity</b>		
	(a) Equity share capital	7,274	7,274
	(b) Other equity	160,270	166,157
	<b>TOTAL EQUITY</b>	<b>167,544</b>	<b>173,431</b>
<b>II</b>	<b>Liabilities</b>		
	<b>(i) Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	3,051	5,504
	(ii) Other financial liabilities	3,035	5,077
	(b) Provisions	199	218
	<b>Sub-total - Non-current Liabilities</b>	<b>6,285</b>	<b>10,799</b>
	<b>(ii) Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	23,118	25,327
	(ii) Trade payables	13,233	11,946
	(iii) Other financial liabilities	136,425	146,632
	(b) Other current liabilities	50,444	53,242
	(c) Provisions	407	345
	<b>Sub-total - Current Liabilities</b>	<b>223,627</b>	<b>237,492</b>
	<b>TOTAL LIABILITIES (i+ii)</b>	<b>229,912</b>	<b>248,291</b>
	<b>TOTAL EQUITY AND LIABILITIES (I+II)</b>	<b>397,456</b>	<b>421,722</b>



**STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

**NOTES:**

1. The above results, which have been subjected to audit by the Auditors of the Company, were reviewed by the Audit and Compliance Committee of Directors and subsequently approved and taken on record by the Board of Directors of the Company in its meeting held on July 30, 2020, as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The figures for the quarter ended March 31, 2020 and quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year and the figures published year to date up to the third quarter of the respective financial year.
3. As a prudent economic measure, and in order to conserve the scarce liquid resources of the Company, the Directors have not recommended any dividend for the year under review.
4. Given the nature of real estate business, the profit / losses do not necessarily accrue evenly over the period and as such, the results of a quarter / year may not be representative of the profits / losses for the period.
5. As the Company's business falls within a single primary business segment viz. "Real Estate Development", the disclosure requirements as per IND AS – 108 'Operating Segments' are not applicable.
6. Consequent to the declaring the outbreak of Coronavirus Disease (COVID-19) as a pandemic, the Government of India declared a complete lockdown on March 23, 2020, forcing the Company to suspend its operations in all its ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments.  
COVID-19 has impacted the normal business operations of the Company by way of interruption in Project execution, supply chain disruption, unavailability of personnel, unavailability to complete settled procedures, etc during the lock-down period. The company has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, investments, inventory, advances, trade receivables, deferred taxes, other financial and non-financial assets etc. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The situation is however volatile and changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID 19 pandemic which may be different from that estimated as at the date of approval of these financial statements. The Central and State Governments have initiated steps to lift the lockdown and the company will adhere to the same as it resumes its activities. Construction at sites has already restarted. The company continues to closely observe the evolving scenario and take into account any future developments arising out of the same
7. Income from operations includes share of profit / (loss) (net) from partnership firms, AOPs as stated hereunder:

(₹ in lakhs)

Particulars	Three months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
i) Audited	0.09	----	----	0.09	311.25
ii) Management Reviewed (Refer footnote)	(376.85)	104	(366.3)	(326.94)	0.45

**Footnote:**

The results of partnership firms, AOPs for the year ended are prepared and compiled by the Management of such firms and have been reviewed by the Management of Hubtown Limited.

8. The Company has not received the financial results for one of its partnerships for the year ended March 31, 2020. However, in the opinion of the management, share of profit/(loss) of such partnership firm will not have any material impact on the consolidated financial results
9. Costs of the projects are based on the management's estimate of the cost to be incurred up to the completion of the project, which is reviewed periodically.
10. The 'Incomplete Projects' of the Company included in Inventories are under various stages of development and are expected to have net realisable value greater than their cost.
11. In respect of the corporate guarantees issued by the Company to bankers and others on behalf of the group companies, associates and joint ventures for facilities availed by them (amounting to



₹ 1,30,662.05 lakhs), 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.

12. The Company has compiled a list of contingent liabilities based on the information and records available with it. Further, the Company is of the view that these liabilities will not result in any financial liability to the Company.
13. Due to outbreak of COVID 19 pandemic and lock down restrictions, company was not able to obtain year-end balance confirmations for some of its loans and advances, other receivables, debtors and creditors. These balances are subject to confirmations and are considered payable / realisable, as the case may be.
14. The Company has advanced certain amounts to entities in which it has business interest with a view to participate in the earnings of the Projects being implemented by the recipient entities and hence the company has not charged any interest on these advances. Considering the nature of businesses in which these entities operate, the amounts so advanced are considered to be repayable on call / demand as the recovery period of such amounts so advanced are not measureable precisely.
15. The Company is in the process of negotiating for settlement / redemption of the NCDs and interest thereon.
16. The Company, owing to liquidity crunch, has not invested / deposited Rs. 198.11 lakhs (P.Y. Rs.294.76 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.
17. The Company has investments in certain subsidiaries, jointly controlled entities and associates aggregating C.Y. ₹ 97,564 lakhs (P.Y. Rs. 97,546 lakhs) and loans and advances outstanding aggregating C.Y. ₹ 15,073 lakhs (P.Y. Rs. 17,463 lakhs) as at March 31<sup>st</sup>, 2020. 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 which are in excess of the carrying values. 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.
18. The Company has not provided interest amounting to ₹ 7,892.09 lakhs for the quarter ended March 31<sup>st</sup>, 2020 and ₹ 28,366.53 lakhs for the year ended March 31<sup>st</sup>, 2020 on certain inter-corporate deposits. The Company is in process of re-negotiating the terms / waiver of interest by respective lenders.
19. The Company has not recognized finance income during the quarter ended March 31<sup>st</sup>, 2020 amounting to ₹ 6,552.45 lakhs and ₹ 26,209.80 lakhs for year ended March 31<sup>st</sup>, 2020 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.
20. During the year, there has been a shortfall of ₹ 16.65 Lakhs towards payment of Corporate Social Responsibility, than that required under section 135 of the Act. Due to Covid 19 issues, the Company was not able to make the payment in the month of Mar'20. This amount has subsequently been spent by the Company in the current year.
21. During the year, partnership firms namely M/s Celeste Joint Venture, M/s Akruti Jay developers and M/s Akruti Kailash Developers in which the Company was a partner were dissolved. Consequently the said firms became proprietary concerns of the Company. The net assets of the erstwhile firms have been included in the standalone financial statement and tested for impairment.
22. Previous period figures have been regrouped / reclassified / restated wherever necessary to conform to the current period's classification.

For and on behalf of the Board



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

Place: Mumbai

Date: July 30, 2020

## ANNEXURE - I

Statement on Impact of Audit Qualifications (for audit reports with modified opinion) submitted  
alongwith Annual Audited Financial Results (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020  
[see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

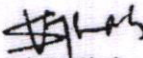

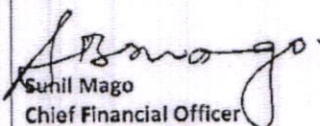
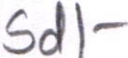
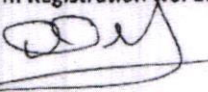
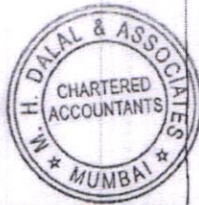
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lakh)	Adjusted figures (audited figures after adjusting for qualifications) (Rs. in lakh)
	1.	Turnover / Total Income	28836	55046
	2.	Total Expenditure	32691	61058
	3.	Net Profit / (Loss)	(5947)	(8104)
	4.	Earnings per Share	(8.18)	(11.14)
	5.	Total Assets	397456	423666
	6.	Total Liabilities	229912	258279
	7.	Net Worth	167544	165387
	8.	Any other financial item(s) [as felt appropriate by the management]		
II.	Audit Qualification			
	a.	Details of Audit Qualification	<b>Auditors' Qualifications</b> Para 3(a) As stated in Note 18 to the accompanying standalone financial results of the Company for the year with regards the Company not having provided for interest expense amounting to ₹28366.53 lakhs on certain inter-corporate deposits. Consequent to above, finance cost for the quarter and year ended March 31, 2020 has been understated by ₹7892.09 lakhs and ₹28366.53 lakhs respectively resulting in a consequential decrease in loss for the quarter and year ended March 31, 2020.  Para 3 (b) As stated in Note 19 to the accompanying standalone financial results of the Company for the quarter and year ended March 31, 2020 with regards the Company not having recognised finance income from Deep Discount Bonds held in one of its joint venture entities. Consequently, finance income for the quarter and year ended March 31, 2020 has been understated by ₹6552.45 lakhs and ₹26209.80 lakhs respectively. Further, loss for the quarter and year ended March 31, 2020 is overstated to that extent.	
	b.	Type of Audit Qualification	Modified Opinion	
	c.	Frequency of Qualification	Third Time	
	d.	For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views :	Management's view - Para 3(a) The Company has not provided interest amounting to ₹28366.53 lakhs on certain inter-corporate deposits, as the Company is in the process of re-negotiating the terms / waiver of interest by respective lenders. Consequently, the finance cost for the quarter and year ended March 31, 2020 has been understated by ₹7892.09 lakhs and ₹28366.53 lakhs respectively resulting in consequential decrease in loss for the quarter and year ended March 31, 2020.	



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		<p>Management's view - Para 3(b)</p> <p>The Company has not recognized finance income 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, Consequently, the finance income for the quarter and year ended March 31, 2020 has been ₹6552.45 lakhs and ₹26209.80 lakhs respectively, Hence the loss for the quarter and year ended March 31, 2020 is overstated to that extent.</p>
e.	For Audit Qualification(s) where the impact is not quantified by the Auditor	
	i. Management's estimation on the Impact of audit qualification	Not Applicable
	ii. If Management is unable to estimate the impact, reasons for the same	Not Applicable
	iii. Auditors' comments on (i) or (ii) above	None
III	<b>Signatories :</b>	
	<p>For Hubtown Limited</p> <p> Vyomesh M. Shah Managing Director DIN : 00009596</p> <p></p>	<p>For Hubtown Limited</p> <p> Sunil Mago Chief Financial Officer</p>
	<p>For Hubtown Limited</p> <p> Abhijit Datta DIN : 00790029 Chairman - Audit and Compliance Committee</p> <p>Place : Mumbai</p> <p>Date : July 30, 2020</p>	<p>For M. H. Dalal &amp; Associates Chartered Accountants Firm Registration No. 112449W</p> <p> Devang Dalal Partner Membership No. : F - 109049</p> <p></p>



**Independent Auditor's Report on Standalone Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To  
The Board of Directors  
Hubtown Limited

**Qualified Opinion**

1. We have audited the accompanying standalone annual financial results ('the Statement') of Hubtown Limited (hereinafter referred to as the "Company") for the year ended 31<sup>st</sup> March, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (a) presents financial results in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, possible effects of the matters described in paragraph 3 below; and
  - (b) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March, 2020, except for the effects / possible effects of the matters described in paragraph 3 below.

**Basis of Qualified Opinion**

3. As stated in:

- (a) Note 18 to the accompanying standalone financial result of the Company for the year, with regards the Company not having provided for Interest expense amounting to ₹ 28,366.53 Lakhs on certain Inter-corporate deposits. Consequent to above, finance cost for the quarter and year ended 31<sup>st</sup> March, 2020 has been understated by ₹ 7,892.09 Lakhs and ₹ 28,366.53 Lakhs respectively resulting in a consequential decrease in the losses for the quarter and year ended 31<sup>st</sup> March, 2020. Our opinion



on the standalone financial statement for the year ended 31<sup>st</sup> March 2019 was also modified in respect of this matter.

- (b) Note 19 to the accompanying standalone financial result of the Company for the quarter and year ended 31<sup>st</sup> March, 2020 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 quarter and year ended 31<sup>st</sup> March, 2020 is understated by ₹ 6,552.45 Lakhs and ₹ 26,209.80 Lakhs respectively. Further losses for the quarter and year ended is overstated to that extent. Our opinion on the standalone financial statement for the year ended 31<sup>st</sup> March 2019 was also modified in respect of this matter.
4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Statement" 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

5. We draw attention to:

- (a) Note 6 to accompanying Statement, which describes the effects of uncertainties relating to COVID - 19 pandemic outbreak on the Company's operation and management's evaluation of its impact on the accompanying Statement as at 31<sup>st</sup> March, 2020, the impact of which is significantly dependent on future developments.
- (b) Note 9 to the standalone financial results, 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.
- (c) Note 10 to the standalone financial results, 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.
- (d) Note 11 of the standalone financial results, regarding Corporate guarantees issued and securities provided aggregating ₹ 1,30,662.05 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.

- (e) Note 12 of the standalone financial results, 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 13 of the standalone financial results, regarding balances that are subject to confirmations, reconciliation and adjustments, if any.
- (g) Note 14 of the standalone financial results, 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) Note 15 of the standalone financial results, regarding the Company's default in redemption of non-convertible debentures along with interest aggregating to ₹ 1,441.67 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) Note 16 of standalone financial results, 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) Note 17 of the standalone financial results, regarding the Company's investments in certain subsidiaries, jointly controlled entities and associates as at 31<sup>st</sup> March, 2020 which have incurred losses and carry an eroded net worth as at 31<sup>st</sup> March, 2020.
- (k) Note 20 of the standalone financial results regarding company having spent ₹ 16.65 Lakhs lower amount for Corporate Social Responsibility during the year than that required under section 135 of the Act.
- (l) Note 8 of the standalone financial results regarding non-receipt of financial statement of one of its partnership firm for year ended 31<sup>st</sup> March, 2020. In the opinion of management share of profit/(loss) of such partnership will not have any material impact on the consolidated financial results

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



**Responsibilities of Management and Those Charged with Governance for the Statement**

6. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
7. In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

9. Our objectives are to obtain reasonable assurance about whether the statement 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 annual financial results.



10. 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 Statement, 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 control 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 in place adequate internal financial controls with reference to financial statements 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 the management.
- Conclude on the appropriateness of the 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 Statement 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 Statement, including the disclosures, and whether the Statement represents 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.



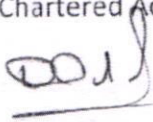
**M.H. DALAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**Other Matter**

11. The Statement of Profit and Loss of the Company includes share of profit/ loss from investments in partnership firms / joint ventures aggregating to ₹ (326.76) lakhs that are based on the financial statements of the firms/joint ventures prepared by the management and presented to us on which we have relied.
12. The Statement includes the financial results for the quarter ended 31<sup>st</sup> March, 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

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

For M.H Dalal & Associates  
Firm Registration No.: 112449W  
Chartered Accountants



**Devang Dalal**  
Partner  
Membership No.: 109049  
UDIN: 20109049AAAALT5601



Mumbai, July 30<sup>th</sup>, 2020

①

P/C

**HUBTOWN LIMITED**

CIN : L45200MH1989PLC050688

Registered Office: 'Plaza Panchsheel' 'A' Wing 5th Floor Hughes Road Behind Dharam Palace Grant Road (West) Mumbai  
400007

Phone : 91 22 66040800 ; 67037400 ; Fax : 91 22 66040812

Statement of Audited Consolidated Financial Results for the Quarter and Year ended March 31, 2020

(₹ in Lakhs)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Unaudited	Unaudited	Unaudited	Audited	Audited
<b>1 Income</b>					
a. Revenue from Operations	4,146	9,850	6,613	27,273	47,078
b. Other Income	1,397	(121)	2,745	3,845	7,810
<b>Total Income (a+b)</b>	<b>5,543</b>	<b>9,729</b>	<b>9,358</b>	<b>31,118</b>	<b>54,888</b>
<b>2 Expenses</b>					
a. Cost of construction and development	4,049	3,890	6,199	15,064	15,527
b. Purchases of stock-in-trade	199	107	261	663	622
c. Changes in inventories of work-in-progress finished properties and FSI	(5,029)				
		(5,492)	(5,375)	(20,314)	5,512
d. Employee benefits expense	675	575	635	2,404	2,366
e. Finance costs	2,144	1,345	4,348	13,894	21,833
f. Depreciation and amortisation expense	90	98	67	437	315
g. Provision for doubtful advances	2,949	-	-	6,674	-
h. Impairment of Inventory on dissolution of partnership firm (Refer note 20)	0	8,389	-	8,389	-
i. Goodwill on Consolidation	-	-	845	-	845
j. Other expenses	2,704	1,119	2,480	6,813	7,899
<b>Total Expenses (a+b+c+d+e+f+g+h+i+j)</b>	<b>7,781</b>	<b>10,031</b>	<b>9,460</b>	<b>34,024</b>	<b>54,919</b>
<b>3 Profit/(Loss) before Exceptional Item and Tax (1-2)</b>	<b>(2,238)</b>	<b>(302)</b>	<b>(102)</b>	<b>(2,906)</b>	<b>(31)</b>
4 Add/(Less) : Exceptional Item (net of tax expense)	-	-	-	-	-
<b>5 Profit/(Loss) before Tax (3+/-4)</b>	<b>(2,238)</b>	<b>(302)</b>	<b>(102)</b>	<b>(2,906)</b>	<b>(31)</b>
6 Tax Expense / (Credit)			-		
(Add)/Less :			-		
a. Current Tax	183	(267)	(24)	299	2
b. Deferred Tax Charge / (Credit)	(1,626)	3,425	351	1,428	1,034
c. Short / (Excess) provision for taxation in earlier year	0	-	64	0	115
<b>Total Tax expense (a+/-b+/-c)</b>	<b>(1,443)</b>	<b>3,158</b>	<b>391</b>	<b>1,727</b>	<b>1,151</b>
<b>7 Net Profit/(Loss) for the period (5+/-6)</b>	<b>(795)</b>	<b>(3,460)</b>	<b>(493)</b>	<b>(4,633)</b>	<b>(1,182)</b>
	(404)				
8 Share of Profit/(Loss) of Associates and Joint Venture (net)		(598)	336	(1,429)	(369)
<b>9 Net Profit/(Loss) for the period after share of profit/ (loss) of Associates / Joint venture</b>	<b>(1,199)</b>	<b>(4,058)</b>	<b>(157)</b>	<b>(6,062)</b>	<b>(1,551)</b>
10 Other comprehensive income (net of tax)	8	3	2	70	37
<b>11 Total comprehensive Income/(Loss)</b>	<b>(1,191)</b>	<b>(4,055)</b>	<b>(155)</b>	<b>(5,992)</b>	<b>(1,514)</b>
<b>12 Net Profit/(Loss) attributable to:</b>					
- Owners of the Parent	(1,726)	(3,561)	(113)	(6,074)	(1,504)
- Non-controlling interest	527	(497)	(44)	12	(47)
<b>13 Other comprehensive income attributable to :</b>					
- Owners of the Parent	8	3	2	70	37
- Non-controlling interest	-	-	-	-	-
<b>14 Total comprehensive income attributable to:</b>					
- Owners of the Parent	(1,718)	(3,558)	(110)	(6,004)	(1,467)
- Non-controlling interest	527	(497)	(45)	12	(47)
<b>15 Paid-up Equity Share Capital - Face Value ₹ 10 each</b>	<b>7,274</b>	<b>7,274</b>	<b>7,274</b>	<b>7,274</b>	<b>7,274</b>
<b>16 Other Equity (Excluding Revaluation Reserve)</b>				<b>145,881</b>	<b>152,951</b>
<b>17 Earnings Per Equity Share of ₹ 10 each (not annualised)</b>					
₹ (Basic)	(1.65)	(5.58)	(0.22)	(8.33)	(2.13)
₹ (Diluted)	(1.65)	(5.58)	(0.22)	(8.33)	(2.13)





HUBTOWN LIMITED

CIN : L45200MH1989PLC050688

Registered Office: Plaza Panchsheel, 'A' Wing, 5th floor, Hughes Road, Behind Dharam Palace, Grant Road (West), Mumbai 400007

Phone : 91 22 66040800 ; 67037400 ; Fax : 91 22 66040812

E-mail : investorcell@hubtown.co.in ; Website : www.hubtown.co.in

Statement of Audited Consolidated Assets and Liabilities as at March 31, 2020

Particulars	(' in Lakhs)	
	As at 31.03.2020 Audited	As at 31.03.2019 Audited
<b>A ASSETS</b>		
<b>I Non-current Assets</b>		
(a) Property, plant and equipment	3,801	3,883
(b) Capital work-in-progress	1,662	1,422
(c) Investment Property	3,763	3,910
(d) Goodwill on consolidation	962	962
(e) Other Intangible assets	83	27
(f) Financial Assets		
(i) Investments	161,511	159,307
(ii) Loans and Advances	16,311	16,617
(iii) Other Financial Assets	654	269
(g) Current Tax Assets	1,442	1,338
(h) Deferred Tax Assets	2,300	4,140
(i) Other Non-current Assets	2,445	2,656
<b>Sub-total - Non-current Assets</b>	<b>194,934</b>	<b>194,531</b>
<b>II Current Assets</b>		
(a) Inventories	180,503	147,843
(b) Financial Assets		
(i) Investments	343	2,546
(ii) Trade Receivables	8,958	31,483
(iii) Cash and cash equivalents	2,898	3,272
(iv) Bank balances other than (iii) above	1,267	1,742
(v) Loans and Advances	11,928	10,274
(vi) Other Financial Assets	43,420	65,973
(c) Other Current Assets	15,586	14,921
<b>Sub-total - Current Assets</b>	<b>264,903</b>	<b>278,054</b>
<b>TOTAL ASSETS (I+II)</b>	<b>459,837</b>	<b>472,585</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>I Equity</b>		
(a) Equity share capital	7,274	7,274
(b) Other equity	145,881	152,951
Equity attributable to owners	<b>153,155</b>	<b>160,225</b>
Non-controlling interest	2,286	2,191
<b>TOTAL EQUITY</b>	<b>155,441</b>	<b>162,416</b>
<b>II Liabilities</b>		
<b>i Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	21,245	26,344
(ii) Other Financial Liabilities	3,329	18,892
(b) Provisions	200	225
(c) Deferred Tax Liabilities (Net)	5	416
<b>Sub-total - Non-current Liabilities</b>	<b>24,779</b>	<b>45,877</b>
<b>ii Current Liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	23,283	25,901
(ii) Trade Payables	19,218	17,748
(iii) Other Financial Liabilities	171,075	161,982
(b) Other Current Liabilities	65,612	58,212
(c) Provisions	415	385
(d) Current Tax Liabilities	14	64
<b>Sub-total - Current Liabilities</b>	<b>279,617</b>	<b>264,292</b>
<b>TOTAL LIABILITIES (i+ii)</b>	<b>304,396</b>	<b>310,169</b>
<b>TOTAL EQUITY AND LIABILITIES (I+II)</b>	<b>459,837</b>	<b>472,585</b>



CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020

NOTES:

1. The above results, which have been subjected to audit by the Auditors of the Company, were reviewed by the Audit and Compliance Committee of Directors and subsequently approved and taken on record by the Board of Directors of the Company in its meeting held on July 30, 2020, as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. As a prudent economic measure, and in order to conserve the scarce liquid resources of the Company, the Directors have not recommended any dividend for the year under review.
3. Given the nature of real estate business, the profit / losses do not necessarily accrue evenly over the period and as such, the results of a quarter / year may not be representative of the profits / losses for the period.
4. As the Group's business falls within a single primary business segment viz. "Real Estate Development", the disclosure requirements as per IND AS – 108 'Operating Segments' are not applicable.
5. Consequent to the declaring the outbreak of Coronavirus Disease (COVID-19) as a pandemic, the Government of India declared a complete lockdown on March 23, 2020, forcing the Company to suspended its operations in all its ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments.

COVID-19 has impacted the normal business operations of the Company by way of interruption in Project execution, supply chain disruption, unavailability of personnel, unavailability to complete settled procedures, etc during the lock-down period. The Group has made a detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, investments, inventory, advances, trade receivables, deferred taxes, other financial and non-financial assets etc. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The situation is however volatile and changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID 19 pandemic which may be different from that estimated as at the date of approval of these consolidated financial statements. The Central and State Governments have initiated steps to lift the lockdown and the Group will adhere to the same as it resumes its activities. Construction at sites has already restarted. The Group continues to closely observe the evolving scenario and take into account any future developments arising out of the same

6. The 'Incomplete Projects' of the group included in Inventories are under various stages of development and are expected to have net realisable value greater than the cost.
7. In respect of the corporate guarantees issued by the Company to bankers and others on behalf of the associates and joint ventures for facilities availed by them (amounting to ₹ 1,18,249.51 lakhs), 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.
8. The Company has compiled a list of contingent liabilities based on the information and records available with it. Further, the Company is of the view that these liabilities will not result in any material financial liability to the Company.
9. Due to outbreak of COVID 19 pandemic and lock down restrictions, company was not able to obtain year-end balance confirmations for some of its loans and advances, other receivables, debtors and creditors. These balances are subject to confirmations and are considered payable / realizable, as the case may be.
10. The Company has advanced certain amounts to entities in which it has business interest with a view to participate in the earnings of the Projects being implemented by the recipient entities. Considering the nature of businesses in which these entities operate, the amounts so advanced are considered to be repayable on call / demand as the recovery period of such amounts so advanced are not measureable precisely.
11. The Company is in the process of negotiating for settlement / redemption of the Non-convertible Debentures and interest thereon.
12. The Company, owing to liquidity crunch, has not invested / deposited Rs. 198.11 lakhs (P.Y. Rs. 294.76 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.



13. The Company has not provided interest amounting to ₹ 7,892.09 lakhs for the quarter ended March 31<sup>st</sup>, 2020 and ₹ 28,366.53 lakhs for the year ended March 31<sup>st</sup>, 2020 on certain inter-corporate deposits. The Company is in process of re-negotiating the terms / waiver of interest by respective lenders.
14. The Company has not recognized finance income amounting to ₹ 6,552.45 lakhs and ₹ 26,209.80 lakhs during the quarter ended March 31<sup>st</sup>, 2020 and for the year ended March 31<sup>st</sup>, 2020 respectively, 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.
15. Financial Results of Hubtown Limited (Standalone Information):

(₹ in Lakh)

Particulars	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Total Income*	4315	10923	5207	28836	49029
Profit / (Loss) before Tax	(3190)	848	(662)	(3855)	296
Profit / (Loss) after Tax	(2077)	(2325)	(940)	(5947)	(709)

\* - includes operating income and other income

16. During the year, there has been a shortfall of ₹ 16.65 lakhs towards payment of Corporate Social Responsibility, than that required under section 135 of the Act. Due to Covid 19 issues, the Company was not able to make the payment in the month of Mar'20. This amount has subsequently been spent by the Company in the current year.
17. The Company has not received the financial results for one of its partnerships for the year ended March 31, 2020. However, in the opinion of the management, share of profit/(loss) of such partnership firm will not have any material impact on the consolidated financial results
18. The Statement includes the financial information of five subsidiaries, six joint ventures and two associates which have not been audited by respective auditors of the companies. In the opinion of the management, aggregate of the audited financials results of these companies will not differ from the financial information certified by the management and included in the consolidated financial results of the company.
19. Costs of the projects are based on the management's estimate of the cost to be incurred up to the completion of the project, which is reviewed periodically.
20. During the year, partnership firms namely M/s Celeste Joint Venture, M/s Akruji Jay developers and M/s Akruji Kailash Developers in which the Company was a partner were dissolved. Consequently the said firms became proprietary concerns of the Company. The net assets of the erstwhile firms have been included in the standalone financial statement and tested for impairment.
21. Previous period figures have been regrouped / reclassified / restated wherever necessary to conform to the current period's classification.

For and on behalf of the Board



*[Signature]*  
**Vyomesh M. Shah**  
**Managing Director**  
**DIN: 00009596**

Place: Mumbai

Date: July 30, 2020

## ANNEXURE - I

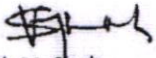
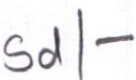
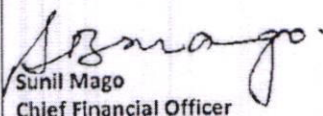
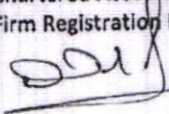
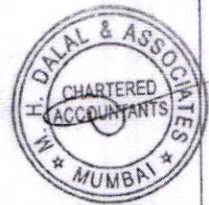

Statement on Impact of Audit Qualifications (for audit reports with modified opinion) submitted  
alongwith Annual Audited Financial Results (Consolidated)Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020  
[see Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in lakh)	Adjusted figures (audited figures after adjusting for qualifications) (Rs. in lakh)
	1.	Turnover / Total Income	31118	57328
	2.	Total Expenditure	34024	62391
	3.	Net Profit / (Loss)	(6062)	(8219)
	4.	Earnings per Share	(8.33)	(11.30)
	5.	Total Assets	459837	486047
	6.	Total Liabilities	304396	332763
	7.	Net Worth	155441	153284
	8.	Any other financial item(s) [as felt appropriate by the management]		
II.	Audit Qualification		Auditors' Qualifications	
	a.	Details of Audit Qualification	<p>Para 3(a)</p> <p>As stated in Note 13 to the accompanying consolidated financial results of the Company for the year with regards the Company not having provided for interest expense amounting to ₹28366.53 lakhs on certain inter-corporate deposits. Consequent to above, finance cost for the quarter and year ended March 31, 2020 has been understated by ₹7892.09 lakhs and ₹28366.53 lakhs respectively resulting in a consequential decrease in loss for the quarter and year ended March 31, 2020.</p> <p>Para 3 (b)</p> <p>As stated in Note 14 to the accompanying consolidated financial results of the Company for the quarter and year ended March 31, 2020 with regards the Company not having recognised finance income from Deep Discount Bonds held in one of its joint venture entities. Consequently, finance income for the quarter and year ended March 31, 2020 has been understated by ₹6552.45 lakhs and ₹26209.80 lakhs respectively. Further, loss for the quarter and year ended March 31, 2020 is overstated to that extent.</p>	
	b.	Type of Audit Qualification	Modified Opinion	
	c.	Frequency of Qualification	Third Time	
	d.	For Audit Qualification(s) where the impact is quantified by the Auditor Management's views	<p>Management's view - Para 3(a)</p> <p>The Company has not provided interest amounting to ₹28366.53 lakhs on certain inter-corporate deposits, as the Company is in the process of re-negotiating the terms / waiver of interest by respective lenders. Consequently, the finance cost for the quarter and year ended March 31, 2020 has been understated by ₹7892.09 lakhs and ₹28366.53 lakhs respectively resulting in consequential decrease in loss for the quarter and year ended March 31, 2020.</p>	



AB



		Management's view - Para 3(b) The Company has not recognized finance income 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, Consequently, the finance income for the quarter and year ended March 31, 2020 has been ₹6552.45 lakhs and ₹26209.80 lakhs respectively, Hence the loss for the quarter and year ended March 31, 2020 is overstated to that extent.
e.	For Audit Qualification(s) where the impact is not quantified by the Auditor	
	i. Management's estimation on the Impact of audit qualification	Not Applicable
	ii. If Management is unable to estimate the impact, reasons for the same	Not Applicable
	iii. Auditors' comments on (i) or (ii) above	None
ii	<b>Signatories :</b> For Hubtown Limited   Vyomesh M. Shah Managing Director DIN : 00009596  For Hubtown Limited   Abhijit Datta DIN : 00790029 Chairman - Audit and Compliance Committee Place : Mumbai  Date : July 30, 2020	For Hubtown Limited   Sunil Mago Chief Financial Officer  For M. H. Dalal & Associates Chartered Accountants Firm Registration No. 112449W   Devang Dalal Partner Membership No. : F - 109049   



**Independent Auditor's Report on the Consolidated Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

To  
The Board of Directors  
Hubtown Limited

**Qualified Opinion**

1. We have audited the accompanying consolidated annual financial results ('the Statement') 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 for the year ended 31<sup>st</sup> March, 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. 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 other auditors on separate audited financial statements of the subsidiaries, associates and a joint venture, as referred to in paragraph 14 below, the Statement:
  - (i) includes the annual financial results of the entities listed in Annexure 1;
  - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive loss and other financial information of the Group, its associates and joint ventures, for the year ended 31<sup>st</sup> March, 2020, possible effects of the matters described in paragraph 3 below.



**Basis of Qualified Opinion**

3. As stated in:

(a) Note 13 to the accompanying consolidated financial result of the Company for the year, with regards the Company not having provided for Interest expense amounting to ₹ 28,366.53 Lakhs on certain Inter-corporate deposits. Consequent to above, finance cost for the quarter and year ended 31st March, 2020 has been understated by ₹ 7892.09 Lakhs and ₹ 28,366.53 Lakhs respectively resulting in a consequential decrease in the losses for the quarter and year ended 31<sup>st</sup> March, 2020. Our opinion on the standalone financial statement for the year ended 31<sup>st</sup> March 2019 was also modified in respect of this matter.

(b) Note 14 to the accompanying consolidated financial result of the Company for the quarter and year ended 31<sup>st</sup> March, 2020 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 quarter and year ended 31<sup>st</sup> March, 2020 is understated by ₹ 6,552.45 Lakhs and ₹ 26,209.80 Lakhs respectively. Further losses for the quarter and year ended is overstated to that extent. Our opinion on the standalone financial statement for the year ended 31<sup>st</sup> March 2019, was also modified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Statement" 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

5. We draw attention to:

(a) Note 5 to the accompanying Statement, which describes the effects of uncertainties relating to COVID - 19 pandemic outbreak on the Group's operations and



management's evaluation of its impact on the accompanying Statement as at 31<sup>st</sup> March, 2020, the impact of which is significantly dependent on future developments.

- (b) Note 19 to the consolidated financial results, 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.
- (c) Note 6 to the consolidated financial results, 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.
- (d) Note 7 of the consolidated financial results, regarding Corporate guarantees issued and securities provided aggregating ₹ 1,18,249.51 lakhs by the Holding 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 Group. In the opinion of the Management, these are not expected to result into any financial liability to the Company.
- (e) Note 8 of the consolidated financial results, regarding reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities of the Group.
- (f) Note 9 of the consolidated financial results, regarding balances that are subject to confirmations, reconciliation and adjustments, if any.
- (g) Note 10 of the consolidated financial results, regarding the Company not having charged interest on advances given by it to various Associates and Joint ventures entities developing real estate projects, in which the Company has a commercial and business interest.
- (h) Note 11 of the consolidated financial results, regarding the Company's default in redemption of non-convertible debentures along with interest aggregating to ₹ 1,441.67 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) Note 12 of consolidated financial results, 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





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Companies (Share Capital and Debentures) Rules, 2014 notified by the Ministry of Corporate Affairs.

- (j) Note 16 of the consolidated financial results regarding Holding company having spent ₹ 16.65 lower amount for Corporate Social Responsibility during the year than that required under section 135 of the Act.
- (k) Note 17 of the consolidated financial results regarding non-receipt of financial statement of one of its partnership firm for year ended 31<sup>st</sup> March, 2020. In the opinion of management share of profit/(loss) of such partnership will not have any material impact on the consolidated financial results.
- (l) Note 18 to the accompanying consolidated financial result of the Company regarding financial information of five subsidiaries, included in the statement which have not been audited and whose financial information (before inter-company elimination) reflect total assets of ₹ 25,399.80 lakhs as at 31<sup>st</sup> March, 2020 and total revenue of ₹ 542.22 lakhs, total net profit after tax of ₹ 264.47 lakhs, total comprehensive profit of ₹ 264.47 lakhs and cash outflows (net) of ₹ 541.23 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net profit/(loss) after tax of ₹ (816.85) lakhs and total comprehensive profit / (loss) of ₹ (816.85) Lakhs (before eliminating inter-company transactions for the year ended 31<sup>st</sup> March, 2020, as considered in the Statement in respect of six joint ventures. Further, the statement includes financial information of two associates, whose aggregate share of net loss amounting to ₹ 31.43 Lakhs are also included in the consolidated financial statements. This financial information has been furnished to us by the Holding company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures is based solely on such unaudited financial information.

In the opinion of the management, aggregate of the audited financials results of these companies will not differ from the financial information certified by the management and included in the consolidated financial results of the company.

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



**Responsibilities of Management and Those Charged with Governance for the Statement**

6. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net loss after tax and other comprehensive income, and other financial information of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group and its associates and a joint venture, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associates and a joint venture, 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 Statement by the Directors of the Holding Company, as aforesaid.
7. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures, are responsible for assessing the ability of the respective companies in the Group and of its associates and joint ventures, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



8. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

**Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

9. Our objectives are to obtain reasonable assurance about whether the Statement 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 the Standards on Auditing specified under section 143(10) of the Act, 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 Statement.
10. 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 Statement, 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 control 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 with reference to financial statements 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 the Management.
  - Conclude on the appropriateness of the Managements 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 ability of the Group and its associates and joint ventures, 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 Statement 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 and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements /financial information of the entities within the Group and its associates and joint ventures to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (14) below.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors 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.
  12. 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.
  13. We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**Other Matters**

14. We have not audited the annual financial statements of six subsidiaries included in the Statement whose financial information ( before eliminating inter-company balances / transactions) reflect total assets of ₹ 64,209.20 Lakhs as at 31<sup>st</sup> March, 2020 and total revenue of ₹ 3,234.18 Lakhs, total net loss after tax of ₹ 467.74 lakhs, total comprehensive loss of ₹ 467.74 lakhs and cash outflows (net) of ₹ 69.16 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net profit/(loss) after tax of ₹ (578.55) lakhs and total



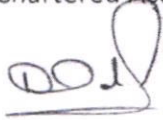
**M.H. DALAL & ASSOCIATES**  
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comprehensive profit / (loss) of ₹ (578.55) Lakhs (before eliminating inter-company transactions) for the year ended 31<sup>st</sup> March, 2020 in respect of two joint ventures not audited by us. Further we also did not audit the financial of two associates whose aggregate share of net profit/ (loss) amounting to Nil and total comprehensive profit / (loss) of Nil are also included in the Statement. 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 results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures is based solely on the audit reports of such other auditors, and the procedure performed by us as stated in paragraph 13 above.

Our opinion is not modified in respect of these matters with respect to our reliance on the work done by and the reports of the other auditors.

15. The Statement includes the consolidated financial results for the quarter ended 31<sup>st</sup> March, 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subjected to a limited review by us.

For M.H Dalal & Associates  
Firm Registration No.: 112449W  
Chartered Accountants



**Devang Dalal**  
Partner  
Membership No.: 109049  
UDIN: 20109049AAAALU7359



Mumbai, July 30<sup>th</sup>, 2020

Annexure to Independent Auditor's Report on the Consolidated Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**Annexure -1**

**List of Entities included in the Statement**

**Subsidiary Companies**

- Citywood Builders Private Limited
- Vega Developers Private Limited
- Vishal Techno Commerce Limited
- Yanti Buildcon Private Limited
- Vama Housing Limited
- Diviniti Project Private Limited
- Citygold Education Research Limited
- Joynest Premises Private Limited
- Sanas Developers Private Limited
- Ackruti Safeguard Systems Private Limited
- Gujarat TCG Biotech Limited

**Associates**

- Vinca Developers Private Limited
- Shubhsidhhi Builders Private Limited
- Whitebud Developers Limited
- Giraffe Developers Private Limited

**Joint Ventures**

- Joyous Housing Limited
- Sunstream City Private Limited
- Hubtown Bus Terminal (Adajan) Private Limited
- Hubtown Bus Terminal (Vadodara) Private Limited
- Hubtown Bus Terminal (Ahmadabad) Private Limited
- Hubtown Bus Terminal (Mehsana) Private Limited
- Rare Township Private Limited
- Twenty Five South Realty Limited
- Shreenath Realtors
- Rising Glory Developers
- Akruti Jay Chandan Joint Ventures
- Akruti GM Joint Ventures
- Jairaj Developers – Unit 9

