

August 29, 2023

To,

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

Sub: Annual Report for the Financial Year 2022-23 and Notice of 35th Annual General Meeting of the Company

We wish to inform you that the 35th Annual General Meeting (“the AGM”) of the Company is scheduled to be held on **Thursday, September 21, 2023 at 11:00 a.m.** through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report of the Company for the financial year 2022-23 along with the Notice convening the 35th AGM is enclosed herewith. The Notice of the AGM and Annual Report for the financial year 2022-23 is also available on the website of the Company at www.hubtown.co.in.

The Company is providing to its Members facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Thursday, September 14, 2023 shall be entitled to avail electronic voting facility. The remote e-voting period commences on **Saturday, September 16, 2023 (from 9:00 a.m.) and ends on Wednesday, September 20, 2023 (upto 5:00 p.m.)**.

Further, the Registrar of Members and the Share Transfer Books of the Company will remain close from **Friday, September 15, 2023 to Thursday, September 21, 2023 (both days inclusive)** for the purpose of the Annual General Meeting of the Company.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For Hubtown Limited

Sadanand Lad
Company Secretary & Compliance Officer

Encl: as above



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ANNUAL
REPORT

2022-2023



HUBTOWN

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CORPORATE INFORMATION

BOARD OF DIRECTORS

HEMANT M. SHAH, Executive Chairman
SUNIL C. SHAH
KARTIK RUPAREL
KETAKI R. SHAH (upto November 28, 2022)
MITKUMAR KORADIA (upto July 11, 2022)
MILIN JAGDISH RAMANI (from September 30, 2022)
BHAKTI JAYWANT KOTHARE (from November 14, 2022)
JIGNESH HANSRAJ GALA (from May 29, 2023)
VYOMESH M. SHAH (VIMAL M. SHAH), Managing Director

COMMITTEES OF THE BOARD

AUDIT AND COMPLIANCE COMMITTEE

BHAKTI JAYWANT KOTHARE, Chairperson (from May 29, 2023)
SUNIL C. SHAH
KARTIK RUPAREL
MITKUMAR KORADIA (upto July 11, 2022)
MILIN JAGDISH RAMANI (from November 14, 2022)
VYOMESH M. SHAH

NOMINATION AND REMUNERATION COMMITTEE

SUNIL C. SHAH, Chairman
HEMANT M. SHAH
KARTIK RUPAREL
MITKUMAR KORADIA (upto July 11, 2022)
MILIN JAGDISH RAMANI (from November 14, 2022)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

BHAKTI JAYWANT KOTHARE, Chairperson (from November 14, 2022)
SUNIL C. SHAH
HEMANT M. SHAH
KETAKI R. SHAH (upto November 28, 2022)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

CHIEF FINANCIAL OFFICER

SUNIL MAGO

COMPANY SECRETARY

SADANAND LAD

STATUTORY AUDITORS

JBTM & Associates LLP, Chartered Accountants

COST AUDITORS

SHEKHAR JOSHI & CO., Cost Accountants

INTERNAL AUDITORS

PROTUNE KSA CONSULTANTS PRIVATE LIMITED,
Chartered Accountants

SECRETARIAL AUDITORS

MIHEN HALANI & ASSOCIATES, Practicing Company Secretaries

REGISTERED OFFICE

'HUBTOWN SEASONS',
CTS NO. 469-A,
OPP. JAIN TEMPLE,
R. K. CHEMBURKAR MARG,
CHEMBUR (EAST), MUMBAI 400071
CIN : L45200MH1989PLC050688
Phone : 022 25265000
Fax : 022 25265125
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
VIKROLI (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
UNION BANK OF INDIA
PUNJAB NATIONAL BANK

35TH ANNUAL GENERAL MEETING

THURSDAY, SEPTEMBER 21, 2023 AT 11:00 AM
THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS

HUBTOWN LIMITED

NOTICE OF 35TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING ("THE AGM / THE MEETING") OF THE MEMBERS OF HUBTOWN LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 21, 2023 AT 11:00 A.M. THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the Report of the Auditor's thereon.
2. To appoint a Director in place of Mr. Vyomesh M. Shah (DIN: 00009596), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

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

As an Ordinary Resolution:

3. RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITOR'S OF THE COMPANY FOR THE FINANCIAL YEAR 2023-2024:

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of the Cost Auditor, M/s. Shekhar Joshi & Co., Cost Accountants (Firm Registration No. 100448), of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable tax and reimbursement of out-of-pocket expenses to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, as recommended by the Audit and Compliance Committee and approved by the Board of Directors, be and is hereby ratified and approved;

RESOLVED FURTHER THAT the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

As an Ordinary Resolution:

4. APPROVAL OF MATERIAL TRANSACTIONS WITH RELATED PARTIES UNDER THE COMPANIES ACT, 2013 AND THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

"RESOLVED THAT pursuant to the provisions of sections 2(76), 179, 188 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, and any other applicable provisions including any statutory modifications and amendments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by Central Government or any governmental or statutory authorities, the Memorandum and Articles of Association of the Company and subject to such approval(s), consent(s) and/or permission(s), as may be required, including such conditions and modification as may be prescribed or imposed while granting such approvals, consents, permissions, and pursuant to the approval of the Audit and Compliance Committee and the Board of Directors of the Company, consent of the members be and is hereby accorded to the Company for entering into material Related Party Transactions, Contracts or Arrangements including Material Related Party Transactions, Contracts or Arrangements as defined under the Act and the Listing Regulations, with related parties as defined under the Act and the Listing Regulations from the Financial Year 2023-2024 and onwards for each Financial Year upto the maximum amount per annum as per details provided hereunder, on such terms and conditions as may be mutually agreed upon between the Company and the related party(ies):

NOTICE (CONTD.)

MAXIMUM VALUE PER EACH TYPE OF CONTRACT/TRANSACTION INTER-CHANGEABLE PER ANNUM W.E.F. APRIL 1, 2023

| Transactions as defined under the Companies Act, 2013 / the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | | |
|--|---|-------------------------|
| Name and relationship of the Related Parties | Nature of Transactions | Amount (₹ in Crores) |
| A. SUBSIDIARIES | | |
| Citywood Builders Private Limited | 1) Making investment in securities / capital contribution; | 50.00 |
| Citygold Education Research Limited | 2) Making loans / business advances / inter-corporate deposits; | 200.00 |
| Gujarat Akruiti-TCG Biotech Limited | | 50.00 |
| Joynest Premises Private Limited | 3) Providing corporate guarantees / securities / collaterals for loans availed; | 280.00 |
| Vishal Techno Commerce Limited | | 100.00 |
| Yantti Buildcon Private Limited | 4) Leasing of property of any kind; | 50.00 |
| Rubix Trading Private Limited | 5) Availing / rendering of services; | 380.00 |
| | 6) Sale/Purchase/Supply of goods and material; | |
| B. ASSOCIATES | | |
| Giraffe Developers Private Limited | 7) Selling of otherwise disposing of or buying property of any kind including FSI / TDRs; and | 300.00 |
| Hubtown Bus Terminal (Adajan) Private Limited | 8) Any other transfer of resources / services or obligations | 50.00 |
| Hubtown Bus Terminal (Ahmedabad) Private Limited | | 100.00 |
| Hubtown Bus Terminal (Mehsana) Private Limited | | 100.00 |
| Hubtown Bus Terminal (Vadodara) Private Limited | | 50.00 |
| Joyous Housing Limited | | 50.00 |
| Rare Townships Private Limited | | 250.00 |
| Sunstream City Private Limited | | 950.00 |
| Shubhsiddhi Builders Private Limited | | 30.00 |
| | | |
| C. JOINT VENTURES | | |
| Akruti GM Joint Venture | | 100.00 |
| | | |
| D. OTHERS | | |
| Rising Glory Developers | | 250.00 |
| Wellgroomed Venture | | 50.00 |
| Mr. Rushank V. Shah | | 50.00 |
| Buildbyte. Com. (India) Private Limited | | 50.00 |
| Citygold Management Services Private Limited | | 50.00 |
| Powersoft IT Private Limited | | 50.00 |
| Amazia Developer Private Limited | | 200.00 |
| Ackruti Star Maintenance Private Limited | | 20.00 |
| Hubtown Solaris Maintenance Private Limited | | 20.00 |
| Hubtown Viva Maintenance Private Limited | | 20.00 |
| Vinca Developer Private Limited | | 50.00 |

NOTICE (CONTD.)

RESOLVED FURTHER THAT the Board of Directors (including any Committee(s) thereof) be and is hereby authorized on behalf of the Company to do all acts, deeds, things, and matters, including sub-delegation of all, or any of these powers, as may be required or are necessary to give effect to these resolutions or as otherwise considered by the Board of Directors (including any Committee(s) thereof) to be in the best interest of the Company and its members, including any negotiations, finalizations, amendments, supplements or modifications to the agreements, deeds, letters, undertakings and any other documents in relation to the above transactions, as applicable or appropriate, to carry out and complete the above contracts / arrangements / transactions, and in relation to the above transactions, to sign, execute, amend, deliver and terminate any agreements, memoranda, documents, letters, deeds or instruments as may be required in this regard, as well as any amendments, modifications, supplements or terminations to documents, including to appoint any advisers, valuers, experts or other persons and to do all such acts, deeds, matters and things as it may, in its discretion, deem necessary, proper or desirable for such purpose, and to make any filings, furnish any returns or submit any other documents to any regulatory or governmental authorities as may be required, and to settle any question, difficulty or doubt and further to do or cause to be done all such acts, deeds, matters and things and to negotiate, finalize and execute all agreements, documents, papers, instruments and writings as it may deem necessary, proper, desirable or expedient and to give such directions and/or instructions as it may deem fit from time to time, to decide and to accept and give effect to such modifications, adjustments, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as may be required, without being required to seek further consent or approval of the members of the Company or otherwise to the end and intent that the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors or to any Director or any other officer(s) of the Company as it may consider appropriate in order to give effect to this resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in respect of the aforesaid resolution be and are hereby approved, ratified and confirmed in all respect."

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

Sadanand Lad

Company Secretary

Membership No. : A19899

Place : Mumbai

Date : May 29, 2023

Notes:

1. Ministry of Corporate Affairs ('MCA') vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and 10/2022 dated December 28, 2022 ("MCA Circulars) read with SEBI Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circulars") (collectively referred to as the "said Circulars") allowed companies to hold shareholders meeting through video conferencing or other audio visual means ("VC/OAVM") thereby dispensing the requirement of physical presence of members at common venue, and other related matters with respect to such meetings. Accordingly, the 35th Annual General Meeting ("the AGM / the meeting") of the members of the Company is held through VC/OAVM in compliance with the provisions of the said Circulars, and consequently no attendance slip is enclosed with this notice.
2. In compliance with the provisions of the Companies Act, 2013 ('Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), MCA Circulars and SEBI Circulars, the **AGM of the Company is being held through VC/OAVM on Thursday, September 21, 2023 at 11:00 a.m. IST.** The procedure for participating in the meeting through VC/OAVM is explained at Note No. 20 below and is also available on the website of the Company at www.hubtown.co.in. The deemed venue for the AGM will be the Registered Office of the Company.
3. The Company has appointed Link Intime India Private Limited, Registrar and Transfer Agents ('RTA') of the Company, to provide VC/OVAM facility for the AGM of the Company.
4. A Statement pursuant to Section 102 of the Act in respect of business under item No. 3 and 4 of the Notice of the meeting is annexed hereto. Also, relevant details in respect of the Directors seeking re-appointment/appointment at the AGM, in terms of Regulations 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of Secretarial Standard – 2 on General Meetings are also annexed to this Notice.
5. Since this AGM is being held pursuant to the aforesaid Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

NOTICE (CONTD.)

6. Institutional/Corporate members (i.e. other than individuals/HUF, NRI, etc.) are required to send a certified scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to the Company at investorcell@hubtown.co.in and to its Registrar and Transfer Agent (RTA) at instameet@linkintime.co.in.
7. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned herein below in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on 'first come first serve' basis. This will not include large members (i.e. members holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit and Compliance Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.
8. Member attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form can be downloaded from the Company's website under [Investor resources](#) at <https://www.hubtown.co.in>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
10. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or Company's RTA, Link Intime India Private Limited for assistance in this regard.
11. The Register of Members and Share Transfer books of the Company will remain closed from Friday, September 15, 2023 to Thursday, September 21, 2023 (both days inclusive), for the purpose of AGM.
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and all other documents referred to in the Notice will be available electronically for inspection by the members without any fee from the date of circulation of this Notice upto the date of AGM i.e. September 21, 2023. Members seeking to inspect such documents can send an e-mail to investorcell@hubtown.co.in.
13. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the RTA of the Company or to the Company at investorcell@hubtown.co.in along with the copy of the signed request letter mentioning the name and address of the member, self-attested copy of the PAN card, and self-attested copy of any document (e.g.: Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the member. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. In case of any queries/difficulties in registering the e-mail address, members may write to the Company's RTA or to the Company at investorcell@hubtown.co.in.
14. Pursuant to the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the SEBI Listing Regulations, 2015, as amended, electronic copy of the Notice and Annual Report 2022-23 is being sent to the members whose e-mail IDs are registered with the Company/Depository Participant(s) (in case of shares held in demat form) or with Link Intime India Private Limited (in case of shares held in physical form).

As per the MCA General Circular 20/2020 dated May 5, 2020, the Annual Report 2022-23 will be sent through electronic mode only to those members whose e-mail IDs are registered with the Registrar and Transfer Agent of the Company/Depository Participants. Members may also note that the Notice of the Meeting and the Annual Report 2022-23 will be available on the Company's website www.hubtown.co.in, websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively.
15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.hubtown.co.in. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's RTA in case the shares are held in physical form, quoting their folio number.
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company any change in the address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
17. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company at investorcell@hubtown.co.in or the Company's RTA.

NOTICE (CONTD.)

18. In case of joint holders, those members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
19. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by Link Intime India Private Limited (LIPL), on all resolutions set forth in this Notice.
20. **Information and other instructions relating to e-voting are as under:**
 - i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Listing Regulations (as amended), MCA Circulars and SEBI Circulars, the Company is pleased to provide the members, the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LIPL).

The facility for e-voting shall also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through e-voting.
 - ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Thursday, September 14, 2023, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the cut-off date, shall treat this Notice as intimation only.
 - iii. A person who has acquired shares and has become a member of the Company after the dispatch of the Notice of the AGM but prior to the cut-off date i.e. Thursday, September 14, 2023, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
 - iv. The remote e-voting period starts on Saturday, September 16, 2023 (9.00 a.m. IST) and ends on Wednesday, September 20, 2023 (5.00 p.m. IST). Remote e-voting shall be disabled by Link Intime at 5:00 p.m. on Wednesday, September 20, 2023 and members shall not be allowed to vote through remote e-voting thereafter. The procedure to login to e-voting website consists of two steps as detailed hereunder.
 - v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
 - vi. The Member(s) who have cast their vote by remote e-voting prior to the AGM, may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
 - vii. 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 the cut-off date i.e. Thursday, September 14, 2023.
 - viii. The Board of Directors of the Company has appointed Mr. Mihen Halani, Proprietor of M/s. Mihen Halani & Associates, Practicing Company Secretaries as Scrutinizer to scrutinise the voting process, in a fair and transparent manner. The Company has engaged the services of Link Intime India Private Limited, Registrar and Share Transfer Agents (RTA) of the Company as the agency to provide e-voting facility.

INSTRUCTIONS FOR REMOTE E-VOTING:

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL:-

1. Existing IDeAS user can visit the e-Services website of NSDL viz. <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

NOTICE (CONTD.)

2. Individual Shareholders holding securities in demat mode with CDSL:

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL [website www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants:

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -
 - A. **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
 - * *Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*
 - * *Shareholders holding shares in **NSDL form**, shall provide 'D' above*
 - ◆ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
 - ◆ Click "confirm" (Your password is now generated).
3. Click on 'Login' under **'SHARE HOLDER'** tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**.

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Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire **Resolution** details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL:

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password**'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository / depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders / members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

NOTICE (CONTD.)

General Guidelines for Members:

- i. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- ii. In case the Members have any queries or issues regarding remote e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-voting manual available at <https://instavote.linkintime.co.in>, under ‘Help’ section or write an e-mail to enotices@linkintime.co.in or call on 022 - 49186000.
- iii. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of this AGM Notice and holds shares as on the Cut-off Date may obtain the login id and password by sending a request at rnt.helpdesk@linkintime.co.in/insta.vote@linkintime.co.in or call on 022 - 49186175/49186000.

Instructions for Members to Vote during the AGM through InstaMeet (VC/OAVM):

Once the electronic voting is activated by the Scrutiniser during the Meeting, the Members who have not exercised their vote(s) through the moderator remote e-voting can cast their vote(s) as under:

- i. On the Member’s page/VC page, click on the link for e-voting “Cast your vote”.
- ii. Enter demat account no./folio no. and OTP (One Time Password), received on the registered mobile number/registered e-mail ID, during registration for InstaMeet and click on ‘Submit’.
- iii. After successful login, see “Resolution Description” and against the same the options “Favour/Against” for voting.
- iv. Cast vote by selecting appropriate option i.e. Favour/Against, as desired.
- v. Enter the number of shares (which represents no. of votes) as on the Cut-off Date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
- vi. After selecting the appropriate option i.e. Favour/Against as desired, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- vii. Once the vote is confirmed on the resolution, any modification or change is not allowed subsequently.

Notes:

Shareholders/Members, who will be present in the AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case shareholders/members have any queries regarding login/e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175/49186000, InstaMeet support desk, of the RTA.

Instructions for Members attending the AGM through InstaMeet:

Instructions for Members to attend the AGM through InstaMeet are as under:

- i. Members are entitled to attend the AGM through VC/OAVM provided by the RTA by following the below mentioned process. Facility for joining the AGM through VC/OAVM shall be open 15 minutes before the time scheduled for the AGM and shall expire 15 minutes after the scheduled time of the Meeting and will be available to the Members on first come first serve basis.
- ii. Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 minutes from the scheduled time of the AGM. Members with >2% shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders’ Relationship Committee and Auditors, etc. may be allowed to attend the Meeting without restrictions of first come first serve basis. Members may log-in and join 15 minutes prior to the scheduled time of the Meeting and window for joining shall be kept open till the expiry of 15 minutes after the scheduled time.
- iii. Members will be provided with InstaMeet facility wherein they shall register their details and attend the AGM as under:
 1. Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with following details:
 - DP ID/Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID/Client ID or Beneficiary ID or Folio Number registered with the Company
 - Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

NOTICE (CONTD.)

- Members holding shares in NSDL demat account shall provide sixteen digit demat number – 8 Character DP ID followed by 8 Digit Client ID
 - Members holding shares in physical form shall provide Folio Number registered with the Company
 - Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
 - Please enter your mobile number.
 - Please enter your email ID as recorded with your DP/RTA/Company.
2. Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

NOTE:

Shareholders/Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience. Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/members have any queries regarding login/e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175/49186000, the InstaMeet support desk.

Instructions for Shareholders/Members to Speak during the AGM through InstaMeet:

1. Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, e-mail address, mobile number at investorcell@hubtown.co.in on or before September 14, 2023 (5.00 p.m. IST).
2. Shareholders will get confirmation on first come first serve basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Please remember speaking serial number and start your conversation with panelist by switching on video and audio of your device.
5. Shareholders are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking.

21. Declaration of results on the resolutions:

- i. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall make, not later than two working days from conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against each resolution, invalid votes, if any, and whether the resolution(s) has/have been carried or not. This report shall be submitted to the Chairperson, or a person authorised by him, in writing, who shall countersign the same.
- ii. The results shall be declared after the AGM of the Company and shall be deemed to be passed on the date of AGM. The results along with the Scrutiniser’s Report shall be placed on the website of the Company www.hubtown.co.in within two working days of passing of the resolutions at the AGM of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the Company’s equity shares are listed. RTA, who has provided the platform for facilitating remote e-voting, will also display these results on its website <https://instavote.linkintime.co.in>. The said results shall also be displayed at the registered office of the Company.

22. Members may note that the Notice will also be available on the Company’s website www.hubtown.co.in, RTA’s website <https://instavote.linkintime.co.in>; websites of the stock exchanges i.e. BSE Limited at www.bseindia.com and also National Stock Exchange of India Ltd. at www.nseindia.com.

ANNEXURE TO THE NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT').

ITEM NO. 3

The Board of Directors of the Company, based on the recommendation of the Audit and Compliance Committee, has approved the appointment of M/s. Shekhar Joshi & Co., Cost Accountants (Firm Registration No. 100448) as Cost Auditor for auditing the cost records of the Company for the financial year 2023-2024 on a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable tax and reimbursement of out-of-pocket expenses.

The Company has received the consent letter and eligibility certificate from M/s. Shekhar Joshi & Co., Cost Accountants, to act as Cost Auditors of the Company for the year ending March 31, 2024 along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. The said eligibility certificate and consent letter will be available for inspection of the members through electronic mode.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration to the cost Auditors as recommended by the Audit and Compliance Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought, for the payment of the remuneration amounting to ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) for cost audit for each financial year plus applicable taxes and out-of-pocket expenses to the Cost Auditor for Financial Year ending March 31, 2024.

The Board recommends the ordinary resolution at Item No. 3 of the accompanying Notice for the approval of the members.

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

ITEM NO. 4

Section 188 of the Companies Act, 2013 (the Act) read with Rules 15 and 16 of the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules) prescribes the procedure for approval of related party transaction(s).

Regulation 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') provides that all material related party transactions and subsequent material modifications as defined by the audit committee shall require prior approval of the shareholders by means of an Ordinary Resolution, even if such transaction(s) are in ordinary course of business and at arm's length basis. Further, the Explanation to Regulation 23 (1) provides that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceeds ₹ 1000 crores or exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

The proviso to Section 188 (1) also states that nothing in Section 188 (1) will apply to any transaction entered into with a related party by the Company in its ordinary course of business and on arm's length basis.

Based on the provisions of Section 188 of the Act and the Rules made thereunder and Regulation 23 of the Listing Regulations, the Audit and Compliance Committee and the Board of Directors of the Company have approved the proposed transactions detailed in the resolution at Item No. 4 of the accompanying Notice.

The maximum value of the transactions as mentioned in the table at Item No. 4 is for each type of transaction specified therein, which limits are interchangeable, for each financial year commencing from 2023-2024 onwards.

The above transactions were approved by the Audit and Compliance Committee and the Board of Directors, as the same are in the interest of the Company.

The relevant information pertaining to transactions as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular vide SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is provided below:

ANNEXURE TO THE NOTICE (CONTD.)

| Sr. No. | Particulars | Information | | | | | | | | | | |
|---------|--|---|---|--|---|--|---|---|---|--|---|--|
| 1 | Summary of information provided by the Management to the Audit and Compliance Committee for approval of the proposed Related Party Transactions (RPTs). | | | | | | | | | | | |
| | a) Type, material terms and particulars of the proposed transaction | <table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">1</td> <td>The Company may be required to grant business advance / loan and/or make investment in the securities and/or capital contribution in the entities mentioned in the resolution as a part of strategic business decision, to the extent necessary to support the business operations of the said entities.</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Additionally, the Company may also be required to provide security by way of mortgage / hypothecation / pledge of securities held and/or charge on any of its movable/immovable properties to the extent of the loan that may be availed by the said entities from term lenders.</td> </tr> <tr> <td style="text-align: center;">3</td> <td>The Company may also be required to provide corporate guarantee as collateral security to the extent of the loan that may be availed by the said entities from term lenders. The corporate guarantee shall be provided for the entire duration of the loan. No commission shall be paid by the said entities to the Company in consideration thereof.</td> </tr> <tr> <td style="text-align: center;">4</td> <td>The Company may also enter into transaction for purchase/sale/lease of immovable properties including FSI and TDRs with the said entities.</td> </tr> <tr> <td style="text-align: center;">5</td> <td>As a condition for loans that may be availed by the Company from term lenders the promoters / promoter group may be required to provide security for such borrowings by way of pledge of the shares of the Company held by them in favour of the respective lenders. Such shares shall continue to remain pledged for the entire duration of the loan.</td> </tr> </table> | 1 | The Company may be required to grant business advance / loan and/or make investment in the securities and/or capital contribution in the entities mentioned in the resolution as a part of strategic business decision, to the extent necessary to support the business operations of the said entities. | 2 | Additionally, the Company may also be required to provide security by way of mortgage / hypothecation / pledge of securities held and/or charge on any of its movable/immovable properties to the extent of the loan that may be availed by the said entities from term lenders. | 3 | The Company may also be required to provide corporate guarantee as collateral security to the extent of the loan that may be availed by the said entities from term lenders. The corporate guarantee shall be provided for the entire duration of the loan. No commission shall be paid by the said entities to the Company in consideration thereof. | 4 | The Company may also enter into transaction for purchase/sale/lease of immovable properties including FSI and TDRs with the said entities. | 5 | As a condition for loans that may be availed by the Company from term lenders the promoters / promoter group may be required to provide security for such borrowings by way of pledge of the shares of the Company held by them in favour of the respective lenders. Such shares shall continue to remain pledged for the entire duration of the loan. |
| 1 | The Company may be required to grant business advance / loan and/or make investment in the securities and/or capital contribution in the entities mentioned in the resolution as a part of strategic business decision, to the extent necessary to support the business operations of the said entities. | | | | | | | | | | | |
| 2 | Additionally, the Company may also be required to provide security by way of mortgage / hypothecation / pledge of securities held and/or charge on any of its movable/immovable properties to the extent of the loan that may be availed by the said entities from term lenders. | | | | | | | | | | | |
| 3 | The Company may also be required to provide corporate guarantee as collateral security to the extent of the loan that may be availed by the said entities from term lenders. The corporate guarantee shall be provided for the entire duration of the loan. No commission shall be paid by the said entities to the Company in consideration thereof. | | | | | | | | | | | |
| 4 | The Company may also enter into transaction for purchase/sale/lease of immovable properties including FSI and TDRs with the said entities. | | | | | | | | | | | |
| 5 | As a condition for loans that may be availed by the Company from term lenders the promoters / promoter group may be required to provide security for such borrowings by way of pledge of the shares of the Company held by them in favour of the respective lenders. Such shares shall continue to remain pledged for the entire duration of the loan. | | | | | | | | | | | |
| | b) Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise) | <p>Nature of Concern or Interest is Financial</p> <p>Relationship as mentioned in resolution at Item No. 4 and under other entities in which promoters or their relatives are interested</p> | | | | | | | | | | |
| | c) Tenure of Proposed transactions | Approval is sought for material RPTs proposed to be undertaken during the Financial Year 2023-24 and onwards | | | | | | | | | | |
| | d) Value of the proposed transactions | As mentioned in resolution at Item No. 4 | | | | | | | | | | |
| 2 | Details of transactions related to any loans, inter-corporate deposits, advances or investment made or given by the Company or its subsidiaries: | | | | | | | | | | | |
| | a) Details of the source of funds in connection with the proposed transaction. | Own share capital / internal accruals / any other arrangement and liquidity of the Company. | | | | | | | | | | |
| | b) Whether any financial, indebtedness is incurred to take or give loans, inter-corporate deposits, advances or investments: — Nature of Indebtedness — Cost of funds and — Tenure | Not applicable | | | | | | | | | | |
| | c) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured, if secured, the nature of security | <p>Tenure : repayable on demand</p> <p>Repayment Schedule : Not Applicable</p> <p>Nature of Security: Unsecured</p> | | | | | | | | | | |
| | d) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT | To meet working capital requirements / any other corporate purpose | | | | | | | | | | |

ANNEXURE TO THE NOTICE (CONTD.)

| | | |
|---|---|--|
| 3 | Justification as to why the RPT is in the interest of the listed entity | <p>These transactions with the parties are for normal business operations and are envisaged commercially prudent and in the best interest of the parties. The proposed transactions are necessitated because of the nature of business of the Company and its subsidiaries are engaged in.</p> <p>In the ordinary course of business, the Company enters into RPTs pertaining to leasing / management services / building management services / reimbursement of overheads / business advances, etc., to have optimum utilization of resources within the group. These transactions are carried out on arm's length basis or cost plus mark-up as applicable to third party.</p> |
| 4 | A copy of the valuation or other external party report, if any such report has been relied upon | Valuation report from Independent Valuer or other external consultant in relation to the above RPTs, will be taken, whenever applicable and would be placed before the Audit and Compliance Committee / Board, as the case may be. The RPTs will be undertaken as arm's length terms. |
| 5 | Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of proposed transaction, | Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of proposed transaction, |
| | Name of the Parties: | % of Annual Consolidated Turnover |
| | Citywood Builders Private Limited | 15.67 |
| | Citygold Education Research Limited | 62.68 |
| | Gujarat Akruiti-TCG Biotech Limited | 15.67 |
| | Joynest Premises Private Limited | 87.75 |
| | Vishal Techno Commerce Limited | 31.34 |
| | Yantti Buildcon Private Limited | 15.67 |
| | Rubix Trading Private Limited | 119.08 |
| | Giraffe Developers Private Limited | 94.02 |
| | Hubtown Bus Terminal (Adajan) Private Limited | 15.67 |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | 31.34 |
| | Hubtown Bus Terminal (Mehsana) Private Limited | 31.34 |
| | Hubtown Bus Terminal (Vadodara) Private Limited | 15.67 |
| | Joyous Housing Limited | 15.67 |
| | Rare Townships Private Limited | 78.35 |
| | Sunstream City Private Limited | 297.72 |
| | Shubhsiddhi Builders Private Limited | 9.40 |
| | Akruiti GM Joint Venture | 31.34 |
| | Rising Glory Developers | 78.35 |
| | Wellgroomed Venture | 15.67 |
| | Mr. Rushank V. Shah | 15.67 |
| | Buildbyte. Com. (India) Private Limited | 15.67 |
| | Citygold Management Services Private Limited | 15.67 |
| Powersoft IT Private Limited | 15.67 | |
| Amazia Developer Private Limited | 62.68 | |
| Ackruiti Star Maintenance Private Limited | 6.27 | |
| Hubtown Solaris Maintenance Private Limited | 6.27 | |
| Hubtown Viva Maintenance Private Limited | 6.27 | |
| Vinca Developer Private Limited | 15.67 | |
| 6 | Name of the Directors or Key Managerial Personnel who is related, if any. | <p>Mr. Hemant M. Shah, Executive Chairman and Mr. Vyomesh M. Shah, Managing Director of Hubtown Limited</p> <p>Mr. Sunil Mago, Chief Financial Officer and Mr. Sadanand Lad, Company Secretary are KMPs of the Company</p> |
| 7 | Any other information that may be relevant | The proposed material RPTs are envisaged as an enabling approval from the shareholders of the Company |

ANNEXURE TO THE NOTICE (CONTD.)

The Board is of the opinion that these transactions are based on business requirements and are necessary for the smooth and efficient functioning of your Company. Further, all related party transactions of the Company are at arms-length and in the ordinary course of business as required under relevant regulations. The Company has implemented a policy on Related Party Transactions, and it undertakes related party transactions are in accordance with such policy.

The Board recommends the ordinary resolution as set out at Item No.4 of the accompanying Notice for approval by unrelated shareholders of the Company in terms of Section 188 (3) of the Act and Regulation 23 of the Listing Regulations.

Except the Promoter Directors and their relatives (to the extent of their shareholding in the Company), and the Key Managerial Personnel mentioned hereinabove, no other Directors or the relatives of the Directors or Key Managerial Personnel are concerned or interested, financially or otherwise in the said resolution.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 4 of the Notice, whether the entity is a related party to the particular transaction or not.

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

Place : Mumbai
Date : May 29, 2023

Sadanand Lad
Company Secretary
Membership No. : A19899

ANNEXURE TO THE NOTICE (CONTD.)

ANNEXURE - I

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 Director | Mr. Vyomesh Shah |
|--|--|
| Director Identification Number | 00009596 |
| Date of Birth | November 15, 1959 |
| Age | 63 years |
| Educational Qualification | Commerce Graduate and Chartered Accountant |
| Date of first appointment | February 16, 1989 |
| No. of shares held in the Company | 51,81,349 equity shares |
| Expertise in specific functional areas. | Over 33 years of experience and expertise in the field of real estate development, project planning, finance, business strategy and management. |
| Terms and conditions of appointment / reappointment | Liable to retire by rotation. |
| Remuneration last drawn | ₹ 69,70,800/- p.a. |
| No. of Board meetings attended during the year | 9 (Nine) |
| Relationship with other Directors, Manager and Key Managerial Personnel | Related to Mr. Hemant M. Shah, Executive Chairman of the Company. |
| Directorships held in other companies | Joyous Housing Limited |
| Membership/Chairmanship of committees of the Company | Hubtown Limited: Member of Audit and Compliance Committee, Corporate Social Responsibility Committee, Risk Management Committee and Committee of Directors |
| Membership/Chairmanship of committees of other companies | None |
| Name of the listed entities from which the person has resigned in the past three years | None |

DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

To
The Members,

The Directors are pleased to present herewith the Thirty-Fifth Annual Report of Hubtown Limited ("the Company") along with the Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended March 31, 2023.

1. FINANCIAL RESULTS:

The standalone and consolidated financial highlights of your Company for the financial year ended March 31, 2023 are summarized below

(₹ in lakh)

| | STANDALONE | | CONSOLIDATED | |
|--|----------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Income from Operations | 21903 | 18282 | 31909 | 19028 |
| Total Income | 23483 | 24723 | 33599 | 21419 |
| Total Expenses | 25591 | 36391 | 34205 | 34113 |
| Profit / (Loss) before Tax | (2108) | (11668) | (606) | (12694) |
| Profit / (Loss) for the year | 1081 | (12089) | 3050 | (12841) |
| Add : Other Comprehensive Income | (73) | 405 | (256) | 396 |
| Total Comprehensive Income (Loss) for the year | 1008 | (11684) | 2794 | (12445) |
| Net Profit / (Loss) attributable to : | | | | |
| — Owners of the Parent | — | — | 2849 | (12608) |
| — Non-controlling Interest | — | — | 201 | (234) |
| Other Comprehensive Income attributable to : | | | | |
| — Owners of the Parent | — | — | (216) | 398 |
| — Non-controlling Interest | — | — | (40) | (2) |
| Total Comprehensive Income attributable to : | | | | |
| — Owners of the Parent | — | — | 2633 | (12209) |
| — Non-controlling Interest | — | — | 161 | (236) |
| Networth | 143740 | 140140 | 132873 | 130769 |
| Earnings per Share before Extraordinary Item (₹) (EPS) | 1.47 | (16.62) | 4.16 | (17.33) |
| Earnings per Share after Extraordinary Item (₹) (EPS) | 1.47 | (16.62) | 4.16 | (17.33) |

2. FINANCIAL PERFORMANCE:

The consolidated and standalone financial statements of the Company for the year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards (IND-AS), the relevant provisions of sections 129 and 133 of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), which have been reviewed by the Statutory Auditor of the Company.

Standalone Financials:

- Income from operations stood at ₹ 21903 lakh as against ₹ 18282 lakh in the previous year representing an increase of 19.81 %;
- Total Income stood at ₹ 23483 lakh, lower by 5.02 % as against ₹ 24723 lakh in the previous year;
- Total Expenses stood at ₹ 25591 lakh as against ₹ 36391 lakh in the previous year;
- Loss before Tax was ₹ (2108) lakh as against loss of ₹ (11668) lakh in the previous year;
- Profit for the year was ₹ 1081 lakh as against loss of ₹ (12089) lakh in the previous year;
- Earning per Share before and after Extraordinary Item was ₹ 1.47 as against ₹ (16.62) in the previous year; and
- Networth of the Company stood at ₹143740 lakh as against ₹ 140140 lakh in the previous year.

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

Consolidated Financials:

- Income from operations stood at ₹ 31909 lakh as against ₹ 19028 lakh in the previous year representing an increase of 67.69 %;
- Total income stood at ₹ 33599 lakh as against ₹ 21419 lakh in the previous year representing an increase of 56.87 %;
- Total Expenses stood at ₹ 34205 lakh as against ₹ 34113 lakh in the previous year;
- Loss before Tax was ₹ (606) lakh as against loss of ₹ (12694) lakh in the previous year;
- Profit after Tax and Other Items was ₹ 3050 lakh as against loss of ₹ (12841) lakh in the previous year;
- Earning per Share before and after Extraordinary Item was ₹ 4.16 as against ₹ (17.33) Lakh in the previous year ; and
- Networth of the Company stood at ₹ 132873 lakh as against ₹ 130769 lakh in the previous year.

3. DIVIDEND:

With a view to conserve the resources for funding future business requirements, the Directors have not recommended any dividend on the equity shares for the Financial Year ended March 31, 2023.

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:

No amount is proposed to be transferred to General Reserves during the Financial Year 2022-2023.

6. PREFERENTIAL ISSUE:

Pursuant to the approval by the Board of Directors at its meeting held on June 23, 2022 and approval by the members of the Company at their Extra-Ordinary General Meeting held on July 21, 2022 ('EGM'), the Company, on August 3, 2022, has allotted 72,00,000 warrants, each convertible into one equity share, on preferential basis at an issue price of ₹ 57/- each, upon receipt of 25% of the issue price as warrant subscription money. Balance 75% of the issue price is payable within 18 months from the allotment date. The Company, till date, has allotted 36,00,000 fully paid up equity shares against conversion of equal number of warrants.

7. SHARE CAPITAL:

The paid-up equity share capital of the Company as on March 31, 2023 was ₹76,33,58,710/-. Presently, the Company does not have any stock option scheme for its employees.

During the year under review:

- The Company has not issued any shares with differential rights and hence no information as per provisions of section 43(a)(ii) of the Act, read with rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- The Company has not granted employee stock options as per provisions of section 62(1)(b) of the Act, read with rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of section 54(1) (d) of the Act read with rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

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 in respect of any of the three preceding financial years.

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 Rule 16 (4) of the Companies (Share Capital and Debentures) Rules, 2014.

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

11. DETAILS OF DEMAT SUSPENSE ACCOUNT:

Pursuant to Regulation 39 (4) read with Schedule VI to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has opened a separate demat suspense account in the name and style of "Hubtown Limited – Unclaimed Shares Suspense Account" and credited the shares of the Company which are remaining unclaimed by the shareholders under the Initial Public Offering (IPO). The details of such unclaimed shares as on March 31, 2023 are set out hereinunder:

| 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, 2022 | 20 | 270 |
| 2. | No. of shareholders who approached for transfer of shares from the said account during the year 2022-2023 | Nil | Nil |
| 3. | No. of shareholders to whom the shares were transferred from the said account during the year 2022-2023 | 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, 2023 | 20 | 270 |

The voting rights on the outstanding unclaimed shares as on March 31, 2023 shall remain frozen as long as the shares remain in the Suspense Account till the rightful owner of such shares claims the shares by submitting the requisite documentary proof of their identity to the Company's Registrar and Transfer Agent, M/s. Link Intime India Private Limited.

12. CHANGE IN THE NATURE OF BUSINESS:

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

13. REGISTERED OFFICE:

During the year under review, there is no change in the address of Registered Office of the Company.

14. BUSINESS OVERVIEW:

Your Company is one of India's leading real estate company, 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

Completed Projects:

| | |
|---|--|
| Hubtown Heaven – Matunga (East) Mumbai -'A' and 'B' Wings | Hubtown Sunstone – Bandra (East) – Mumbai Phase – I & Phase II |
| Hubtown Gardenia – Mira Road, Thane | Hubtown Sunmist - Andheri (East) Mumbai -'A' Wing |
| Hubtown Countrywoods Phase II – Kondhwa, Pune | Hill Crest – Andheri (East), Mumbai |
| Hubtown Vedant – Sion (East) Mumbai – Phase – I & II | Hubtown Greenwoods – Thane Phase – I, II & III |
| Hubtown Seasons – Chembur, Mumbai – Wing - 'D' | |

Ongoing Projects:

| | |
|---|--|
| Hubtown Seasons – Chembur, Mumbai | Hubtown Serene – Bandra (East), Mumbai |
| Hubtown Heaven, 'C' Wing – Matunga (East) Mumbai. | Hubtown Celeste – Worli, Mumbai |

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

| | |
|--|---|
| Hubtown Countrywoods - Phase III – Kondhwa, Pune | Hubtown Premiere – Andheri (West), Mumbai |
| Rising City – Ghatkopar - Mankhurd Link Road, Mumbai | |

Future Projects:

| | |
|----------------------------------|---|
| Eden Rose- Andheri (E), Mumbai | Hubtown Countrywoods Phase IV – Kondhwa, Pune |
| Hubtown Lakeview Chalets – Thane | |

COMMERCIAL:

Completed Projects:

| | |
|---|--|
| Hubtown Viva – Phase – II , Jogeshwari (East), Mumbai | Hubtown Solaris Phase – I, II & III, Andheri East), Mumbai |
|---|--|

Ongoing Projects

| | |
|------------------------------------|-----------------------------------|
| Rhythm– Thane; | Joyos Hubtown – Vadodara, Gujarat |
| Joyos Hubtown – Ahmedabad; Gujarat | Joyos Hubtown – Mehsana, Gujarat |
| Joyos Hubtown – Adajan, Gujarat | |

15. MANAGEMENT DISCUSSION AND ANALYSIS:

ECONOMIC REVIEW

Global economy

The global economy in FY 2022-23 remained uncertain with continued disruption in the supply chain, increased commodity prices due to the geo-political uncertainties led by the Russia –Ukraine War and ebbing of the Pandemic. Supply disruptions, commodity price rises and pent-up demand have led to a high inflationary environment forcing Central Banks across the globe to adopt aggressive tightening monetary policy, resulting in a steep rise in the interest rates. Focused actions on returning inflation to targeted levels have started to exhibit some green shoots, however, Central Banks and the Policymakers continue to keep a close watch on these aspects.

Despite many such challenges, global economy recorded a slow paced growth to 2.8% in 2023, and is expected to accelerate at 3.0% in 2024 as per the estimates of International Monetary Fund (IMF). The IMF also forecasted that the Global headline inflation is expected to fall from 8.7% in 2022 to 7 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly.

Indian economy

The Indian economy exhibited a strong performance during 2023 amidst global uncertainty. Indian economy is one of the fastest growing economies in 2023-24 due to improved macroeconomics fundamentals and sustained momentum in Indian economy. A pandemic, increasing geopolitical tensions, supply chain disruptions and inflation have exposed fault lines in weaker economies and governments around the world. India has on the other hand withstood much of this volatility and fastest growing large economy. India also has the distinction of remaining true to climate change goals. While certain commercial challenges such as rising construction costs and supply shortages persist, the bold structural reforms carried out by the Government along with good governance and fiscal discipline, have paved the way for greater investment in infrastructure and stronger GDP growth in the long term.

The improving economic indicators along with a major capex push by the Indian Government have led to the RBI marginally improving its real GDP forecast to 6.5% for the Fiscal Year 2023-24. After a cumulative increase of 250 bps since May 2022, the RBI in its Monetary Policy Committee meeting decided to halt the rate hikes.

The Reserve Bank of India (RBI) has also raised the benchmark repo rates by 90 bps in line with the global trends. The Monetary Policy Committee is now adopting a balanced approach between growth and inflation control. However, the underlying fundamentals for Indian Economy appear to be strong and are expected to withstand these turbulent times. The government's focus has rightly been on sectors such as infrastructure, construction and manufacturing that creates jobs for workers across all skills. Growth is expected to be brisk in 2023-24 on the back of robust credit growth, positive capital investment cycle given the demand as well as the strengthening of the balance sheets of the corporate and banking sector.

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

INDUSTRY REVIEW

The residential segment witnessed strong recovery during the last fiscal. The commercial segment exhibited resilient performance with gradual recovery resulting in increase of occupancy levels across quality assets. The retail segment displayed a robust growth due to increase in consumption and footfalls.

The real estate industry saw a structural change in the customer behaviour and preferences which led to a gain in momentum during 2023 despite the uncertainties posed by global economic slowdown as well as steep interest rate hikes.

The Central Government continued its focus on boosting availability of affordable homes under the Pradhan Mantri Awas Yojana (PMAY). The establishment of the Special Window for Affordable and Mid-Income Housing (SWAMIH) fund proved beneficial in enabling completion of stuck projects by providing last mile funding for such projects. By March 2023, SWAMIH has approved 130 projects with sanctions worth ₹ 12,000 crores. Approximately 20,557 homes have been completed since its inception in 2019 and it is expected to complete over approximately 81,000 homes across Tier 1 and 2 cities in the next three years. The fund has also played a critical role in the growth of many ancillary industries in the real estate and infrastructure sector, having successfully unlocked liquidity of more than ₹ 35,000 crores.

REAL ESTATE SECTOR

The Indian real estate sector which was virtually written off during the first wave of COVID-19 had proven to be resilient and was recovering well when the second wave struck and since then the residential sector had shown astounding progress in 2022 setting new sales records of 68% year on year, demonstrating the industry's prominence as one of India's fastest growing industries. After 2 years of being affected by COVID, Tier 2 and 3 cities have arisen a fresh major real estate trends in 2022.

While the residential segment witnessed strong revival, the recovery for commercial sector has been resilient in the backdrop of lingering uncertainties driven by adverse global macro headwinds. The recovery in this segment remains on track though was marginally slower than expected on account of delay in corporate occupier's decision making amidst these uncertainties. The IT sector, Flexible Workspaces, BFSI, Engineering and Manufacturing are doing well which bodes well for office space amongst the overall demand.

MUMBAI REAL ESTATE

Mumbai, being the largest real estate market in the country is set for a major boom, which will further add to the overall surge. For close to 5 years, Mumbai has resembled a gigantic construction site. A new coastal road, a metro rail and a trans harbour link are among the many ongoing infrastructure projects that are meant to transform India's commercial capital into a modern and efficient city. As these projects complete over the next few years, new micro markets will open up in and around Mumbai, as commuting would become easier. That will boost real estate development further. Steady rise in demand for homes boosted realtors' confidence and egged them on to launch more projects.

Mumbai Metropolitan Region (MMR) is the largest residential market in India with over 30% contribution to absorption volume and around 45% by value. Given the higher capital values and profit margins, MMR is also the most profitable market with likely accounting for over 50% of the profit pool of the residential market in Indian top - 7 cities.

PUNE HOUSING MARKET OVERVIEW

Pune is a hub for manufacturing activities across various industries such as automobiles, defence, engineering goods etc. It also has a presence of a large number of IT Services companies. The diversified nature of job providers has made Pune an attractive and steadily growing residential market. Pune market stood third in terms of both new launches and home sales across the top 7 cities – comprising total share of 18% and 16% respectively of overall top -7 cities. As per Anarock Research, Pune reported a 59% YoY growth in unit absorption and achieved sales of over 57,000 units. Similar to MMR, available inventory in Pune is now around 20 months of sales. Home prices in the Pune market have witnessed a growth of 5% YoY in 2022.

SEGMENT WISE PERFORMANCE:

Commercial:

The commercial sector is important because it has a direct impact on the economic cycle. Commercial infrastructure, such as malls and offices, is critical for economic growth. The recent selling of commercial properties indicates that investors and buyers recognize the value of this sector to the well-being of citizens and the economy.

There are many factors that influence the development of the commercial real estate sector. Commercial real estate is closely connected to the economy and the performance of different sectors. There are various types of companies operating in the sector, such as real estate investors, developers, brokers, managers, and media portals, all facing different challenges and opportunities as industry trends evolve. During the coronavirus pandemic, the need for social distancing led to offices worldwide transitioning to a hybrid working model and demand for office space falling. The boost in e-commerce spending in many countries, on the other hand, resulted in the need for more warehouses, fulfillment centers, and the growth of the industry and logistics real estate sector which facilitates it. Some of the most important themes in the future of the industry are the increasing importance of technological innovation and environmental, social, and governance sustainability (ESG).

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

Residential:

The residential segment continued with its momentum during the fiscal and exhibited a marked improvement over the last year. The strong demand in the housing segment was well supported by rising affordability, decadal low mortgage rates and surge in the desire of owning a home. The segment saw an unexpected recovery coming out of the pandemic and it turned out to be a strong catalyst for consumers to return to the market. The pandemic also made people realize the importance of need for quality housing and in a number of cases a need to own a bigger house with better amenities and infrastructure. Low-interest rates, the best affordability levels, healthy wage growth, and a waning pandemic with less risk of further disruptions have created a favorable environment for homebuyers who have rediscovered the need for new and better housing. While financial stress remains a significant factor for developers across markets, healthy and sustained homebuyer activity should pave the way for gradual price increases, allowing them to weather increases in critical input costs such as cement and steel.

Retail:

The retail segment outperformed with sustained growth momentum continuing across the country. Retailing as a business is seasonal, highly dependent on consumer spending and during the current year's vacation season. There has been a significant rebound of improved footfall and increased consumption. This resurgence is primarily supported by the recovery of the luxury segment and expansion of international brands. Investing in retail real estate has long been a way to take advantage of consumption, which forms a large part of any economy. Retail leases tend to be shorter than those in office buildings, allowing for more frequent mark-to-market rental increases. Because retail consumption is local, retail landlords are able to build in more markets than offices, which tend to be concentrated in large cities.

OPPORTUNITIES AND CHALLENGES

Opportunities

As India awaits policy reforms to pick up speed, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term. Your Company's well accepted brand, contemporary architecture, well designed projects in strategic locations, strong balance sheet and stable financial performance even in testing times make it a preferred choice for customers and shareholders. Your Company is ideally placed to further strengthen its development potential by acquiring new land parcels. The returns and margins are so good in Indian real estate that many global institutional investors are now eyeing the Indian real estate market like never before. The government's move to allow 100% FDI in construction sector, and development projects has also boosted the investors' confidence in the sector.

Challenges

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges:

- Unanticipated delays in project approvals;
- Availability of accomplished and trained labour force;
- Increased cost of manpower;
- Increased prices of construction material;
- Rising cost of construction lead by increase in commodity prices;
- Lack of Funding;
- Unavailability of Land;
- Growth in auxiliary infrastructure facilities; and
- Over regulated environment.

COMPANY STRENGTHS

Your Company continues to capitalize on the market opportunities by leveraging its key strengths. These include:

1. **Brand Reputation:** Enjoys higher recall and influences the buying decision of the customer. Strong customer connects further results in higher premium realizations.
2. **Execution:** Possesses a successful track record of quality execution of projects with contemporary architecture.
3. **Strong cash flows:** Has built a business model that ensures continuous cash flows from their investment and development properties ensuring a steady cash flow even during the adverse business cycles.
4. **Significant leveraging opportunity:** Follows conservative debt practice coupled with enough cash balance which provides a significant leveraging opportunity for further expansions.
5. **Outsourcing:** Operates an outsourcing model of appointing globally renowned architects/contractors that allows scalability and emphasizes contemporary design and quality construction – a key factor of success.

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

6. Transparency: Follows a strong culture of corporate governance and ensures transparency and high levels of business ethics.
7. Highly qualified execution team: Employs experienced, capable and highly qualified design and project management teams who oversee and execute all aspects of project development.
8. Culture of professionalism.
9. Good relationship with communities and investors.

RISKS AND CONCERNS

Market price fluctuation

The performance of your Company may be affected by the sales and rental realizations of its projects. These prices are driven by prevailing market conditions, the nature and location of the projects and other factors such as brand and reputation and the design of the projects. Your Company follows a prudent business model and tries to ensure steady cash flow even during adverse pricing scenario.

Sales volume

The volume of bookings depends on the ability to design projects that will meet customer preferences, getting various approvals in time, general market factors, project launch and customer trust in entering into sale agreements well in advance of receiving possession of the projects. Your Company sells its projects in phases from the time it launches the project, based on the type and scale of the project and depending on market conditions.

Execution

Execution depends on several factors which include labour availability, raw material prices, receipt of approvals and regulatory clearances, access to utilities such as electricity and water, weather conditions and the absence of contingencies such as litigation. Your Company manages the adversities with cautious approach, meticulous planning and by engaging established and reputed contractors.

Land/Development rights - costs and availability

The cost of land forms a substantial part of the project cost, particularly in Mumbai. It includes amounts paid for freehold rights, leasehold rights, fungible FSI, construction cost of area given to landlords in consideration for development rights, registration and stamp duty. Your Company acquires land/land development rights from the government and private parties. It ensures that the consideration paid for the land is as per the prevailing market conditions, reasonable and market timed. Your Company also enters into MOUs and makes advances for the land/land development rights prior to entering into definitive agreements. The ensuing negotiations may result in either a transaction for the acquisition of the land/land development rights or the Company getting a refund of the moneys advanced.

Financing costs

The acquisition of land and development rights needs substantial capital outflow. Inadequate funding resources and high interest costs may impact regular business and operations. Your Company has always tried to build sufficient reserves resulting out of operating cash flows to take advantage of any land acquisition or development opportunity.

OUTLOOK:

In 2023, we anticipate further downward trends in the global economy. This however, should be an opportunity for the Indian economy to become a world leader. The real estate sector is likely to continue on its journey of long term growth as we see a continuous rise in GDP per capita, larger disposable incomes, growing urbanization and most of all a larger focus of the world on us as the next big economy. FY 2022-23 was an exciting year for the real estate sector and Hubtown.

An increase in earning potential, a need for a better standard of living and the growing base of aspirational consumers and their lifestyle changes have led to substantial growth in the sector. With suited economic growth, the premium housing segment will also witness higher demand in the years to come.

Post-pandemic, developers have moved away from the traditional way of doing business and rightly focused on end-user customer demand with a strong focus on innovation and digital transformation. Financially strong and reputed developers with superior execution capabilities stand to benefit disproportionately from the ongoing cyclical upturn.

Strengthen relationships with key service providers and develop multiple vendors:

In order to continue delivering landmark offerings to our customer, we shall further strengthen our relationship with our key service providers, i.e. architects, designer and contractors. Your Company is also working on strategy to develop more and more vendors who can deliver product and services in line with Company's philosophy and product offerings.

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

HUMAN RESOURCES:

The Company recognizes that its people are the key to the success of the organization and in meeting its business objectives. The Human Resources function endeavours to create a congenial work environment and synchronizes the working of all the departments of the organization to accomplish their respective objectives, which in turn helps the Company to build and achieve its goals and strategies. Employee relations during the year remained cordial. The Company had 75 employees on its payroll as on March 31, 2023.

Your Company has a robust Career Development framework that gives employees the power to define aspirations and take charge of their career. They can discuss their development needs and aspirations with their managers and carve a development plan for the future. Your Company extends the required assistance to employees and provide them with opportunities that can facilitate employees to grow both personally and professionally. This enables employees to achieve their career goals and in turn creates a set of motivated, valuable and skilled workforce.

Health and Safety:

Your Company is always committed to the health and safety of its employees. Your Company provides a clean, hygienic and conducive work environment to all employees and doubled these efforts during the pandemic. Vaccination drives were conducted for all employees.

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. Your Company has also focused on upgrading the IT infrastructure – both in terms of hardware and software. In addition to the existing ERP platform, the Company is presently reviewing the process documentation to ensure effectiveness of the controls in all the critical functional areas of the Company. 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.

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% or more as compared to the immediately previous financial year) in key financial ratios.

| Sr. No. | Particulars of Ratio | Ratio 2022-23 (A) | Ratio 2021-22 (B) | Percentage Change (A-B)/B*100 |
|---------|--------------------------|-------------------|-------------------|-------------------------------|
| i | Debtor Turnover Ratio | 1.12 | 1.17 | (5.04) |
| ii | Inventory Turnover Ratio | 0.20 | 0.20 | — |
| iii | Interest Coverage Ratio | 0.56 | (1.14) | (148.86) |
| iv | Current Ratio | 1.05 | 1.01 | 4.69 |
| v | Debt Equity Ratio | 0.56 | 0.63 | (10.74) |
| vi | Operating Profit Margin | (0.17) | (0.99) | (83.00) |
| vii | Net Profit Margin | 0.05 | (0.49) | (109.41) |
| viii | Return on Networth | 0.01 | (0.09) | (108.72) |

Reason for change in 25% or more in key financial ratios as compared to the immediately previous financial year:

- Interest Coverage Ratio: Change in ratio is due to increase in Earnings before Interest and Tax (EBIT) and decrease in finance costs as compared to last year.
- Operating Profit Margin: Change in ratio is due to increase in revenue from operations and decrease in costs as compared to last year.
- Net Profit Margin: Change in ratio is due to decrease in expenses as compared to last year.
- Return on Networth: Change in ratio is consequent to decrease in loss as compare to last year.

CAUTIONARY STATEMENT

This management discussion and analysis contain forward looking statements that reflects your Company's current views with respect to future events and financial performance. The actual results may differ materially from those anticipated in the forward looking statements as a result of many factors.

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

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Following changes took place in the Board during the Financial Year 2022-23:

Mr. Mitkumar Koradia (DIN: 09499124), Non-Executive - Independent Director stepped down from the Board of Directors of the Company owing to his other commitments, with effect from July 11, 2022. The Board places on record its sincere appreciation for the invaluable contribution by Mr. Mitkumar Koradia to the deliberations of the meetings of the Board and the Committee of the Board of which he was a member during his tenure as Director of the Company.

Ms. Ketaki Rajat Shah (DIN: 08865092), Non-Executive – Independent Director stepped down from the Board of Directors of the Company due to her person commitments, with effect from November 28, 2022. The Board places on record its sincere appreciation for the invaluable contribution by Ms. Ketaki Rajat Shah to the deliberations of the meetings of the Board and the Committee of the Board of which she was a member during her tenure as Director of the Company.

The Board of Directors on recommendation of Nomination and Remuneration Committee appointed Mr. Milin Jagdish Ramani (DIN: 07697636) and Ms. Bhakti Jaywant Kothare (DIN: 07381095) as Non-Executive Independent Directors of the Company with effect from September 30, 2022 and November 14, 2022 respectively. Further, the Board of Directors on recommendation of Nomination and Remuneration Committee appointed Mr. Jignesh Hansraj Gala (DIN: 07463896) as Non-Executive Independent Director of the Company with effect from May 29, 2023.

In accordance with the provisions of Section 152 (6) of the Act and the Company's Articles of Association, Mr. Vyomesh M. Shah, Executive Non Independent Director retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. Mr. Vyomesh M. 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 proposal for his reappointment has been included in the Notice convening the ensuing Annual General Meeting.

Brief resume of Mr. Vyomesh M. Shah, nature of his expertise in specific functional areas, names of companies in which he is a director and member 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 meeting, is furnished in the annexure to the Notice convening the Annual General Meeting.

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

Based on the approval of the Nomination and Remuneration Committee and the Board of Directors at their meetings held on May 29, 2023, the approval is being sought from the members by way of special resolution through postal ballot for the continuation of the appointment of Mr. Hemant M. Shah (DIN: 00009659) as Whole Time Director designated as Executive Chairman of the Company on attaining the age of 70 (Seventy) years on May 20, 2023 for the remaining period of his term of 3 years i.e. until December 31, 2024 on the same terms of appointment and remuneration as approved by the members at the 33rd Annual General Meeting held on September 29, 2021.

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

None of the Directors are disqualified for being appointed as the Director of the Company in terms of Section 164 of the Act.

Except for 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.

Key Managerial Personnel:

During the year under review, there is no change in the Key Managerial Personnels of the Company.

17. DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors on the Board have given a declaration of their independence to the Company as required under Section 149 (7) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfill the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

18. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Pursuant to Regulation 25(7) of SEBI Listing Regulations, the Company imparted various familiarization programmes for its Independent Directors including, Industry Outlook at the Board Meetings, Regulatory updates at Board Meetings and Audit and Compliance Committee Meetings covering changes with respect to the Companies Act, SEBI Listing Regulations, Taxation and other matters, Prevention of Insider Trading Regulations, SEBI Takeover Regulations, meeting with Senior Executive(s) of the Company, etc.

The details of familiarization programme for Independent Directors held during the year 2022-2023 have been disclosed on the website of the Company and are available at the link <http://hubtown.co.in/investors>.

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

19. 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.

20. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors met 9 (Nine) times during the year ended March 31, 2023 in accordance with the provisions of the Companies Act, 2013 and the Rules made there under and Regulation 17 (2) of the SEBI Listing Regulations. Additionally, during the year ended March 31, 2023, the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013. For further details, kindly refer to the section on '**Corporate Governance Report**' forming part of this Annual Report.

21. 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.

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 Report**', which forms part of this Annual Report.

22. AUDIT AND COMPLIANCE COMMITTEE:

Presently, the Audit and Compliance Committee comprises of Mr. Sunil C. Shah, Mr. Kartik Ruparel, Mr. Milin Jagdish Ramani and Mr. Vyomesh M. Shah. The Board of Directors at their meeting held on May 29, 2023 has appointed Ms. Bhakti Jaywant Kothare, Non-executive Independent Director as a member of the Audit and Compliance Committee and also appointed as a Chairperson of the Committee in place of Mr. Sunil C. Shah.

Kindly refer to the section on '**Corporate Governance Report**' under the heading 'Audit and Compliance Committee' for details relating to terms of reference, meetings and functions of the said Committee.

23. AUDIT AND COMPLIANCE COMMITTEE RECOMMENDATIONS:

During the year under review, all the recommendations put forth by the Audit and Compliance Committee were duly considered and accepted by the Board of Directors.

24. 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 2022-2023.

25. ANNUAL PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Part 'D' of Schedule II to the SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

The performance evaluation of Committees was based on criteria such as structure and composition of Committees, attendance and participation of member of the Committees, fulfillment of the functions assigned to Committees by the Board and applicable regulatory framework, frequency and adequacy of time allocated at the Committee meetings to fulfill duties assigned to it, adequacy and timeliness of the agenda and minutes circulated, comprehensiveness of the discussions and constructive functioning of the Committees, effectiveness of the Committee's recommendation for the decisions of the Board, etc.

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

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at their separate meeting. The performance evaluation of the Executive Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Managing Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process. The Independent Directors and Executive Chairman also carried out performance evaluation of the Managing Director of the Company.

In addition, the Independent Directors were also evaluated on the basis of fulfilment of independence criteria and independence from the management.

26. NOMINATION AND REMUNERATION POLICY:

The Nomination and Remuneration Policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and the remuneration payable to them as provided under Section 178 (3) of the Companies Act, 2013 and Regulation 19 (4) (Part 'D' of Schedule II) of the SEBI Listing Regulations is hosted on the website of the Company at <http://hubtown.co.in/investors/74>.

27. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, in relation to the annual financial statements of the Company for the year ended March 31, 2023, the Board of Directors hereby confirms that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures, wherever applicable;
- (ii) such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023, and of the profit of the Company for the financial year ended on that date;
- (iii) proper and sufficient care was taken 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) the annual accounts of the Company have been prepared on a 'going concern' basis;
- (v) internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. CONSOLIDATED FINANCIAL STATEMENTS:

The Audited Consolidated Financial Statements prepared in accordance with the applicable Ind AS and Regulation 33 of the SEBI Listing Regulations and Section 129 (3) of the Companies Act, 2013 forms part of this Annual Report.

29. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

As on March 31, 2023, the Company had 11 subsidiaries, 4 associates and 7 joint venture companies.

During the year Sanas Developers Private Limited ceased to be the subsidiary of the Company, Vinca Developer Private Limited ceased to be associate of the Company and SHK Hotels and Hospitality Private Limited became the associates of the Company.

The Company did not have any material subsidiary company as on March 31, 2023. 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 Explanation to Regulation 16 (1) (c) of SEBI Listing Regulations as approved by the Board of Directors is posted on the Company's website at the link: <http://hubtown.co.in/investors>.

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>. 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>.

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 through electronic mode.

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

During the financial year ended March 31, 2023, 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.

30. 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, 2023 in the prescribed Form AOC-1 forms part of the notes to the financial statements.

31. AUDITORS:

Statutory Auditors:

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s. JBTM & Associates LLP, Chartered Accountants (Firm Registration No.: W100365) were appointed as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting of the Company to be held for the year 2025.

M/s. JBTM & Associates LLP, Chartered Accountants have also confirmed that they meet the criteria for independence, eligibility and qualification as prescribed in Section 141 of the said Act and do not have any pecuniary interest in the Company or its subsidiaries, associates and joint venture companies.

Qualifications by Auditors:

The Notes to the Financial Statements forming part of the Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss for the year ended on that date, referred to in the Auditor's Report, are self-explanatory and do not call for any further clarification /elaboration.

Fraud Reporting:

The Directors of the Company confirm that during the year under review, no instances of fraud were reported by the Auditors under Section 143 (12) of the Companies Act, 2013 and the Rules made there under either to the Company or to the Central Government.

Cost Records:

As required under Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014, the Company confirms that it has prepared and maintained cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the year ended March 31, 2023.

Cost Auditors:

Based on the recommendation of the Audit and Compliance Committee, the Board has appointed M/s. Shekhar Joshi & Co., Cost Accountants (Firm Registration No. : 100448) as Cost Auditors to conduct the audit of the cost records of the Company for the year ending March 31, 2024 at a fee of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses, subject to ratification of the said fees by the members in the ensuing Annual General Meeting pursuant to Section 148 of the Companies Act, 2013. 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 year ended March 31, 2023 pursuant to the Companies (Cost Accounting Records) Rules, 2011 will be filed within the period stipulated under the Companies Act, 2013 or such other period as may be prescribed.

Secretarial Auditors:

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, the Board of Directors of the Company has appointed M/s. Mihen Halani & Associates, Practicing Company Secretaries to conduct the secretarial audit of the Company.

Secretarial Audit Report:

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations, a Secretarial Audit Report given by the Secretarial Auditors in the Form No. MR-3 is annexed with this Report as **Annexure – A**.

Replies to Secretarial Auditor's Qualifications/ Observations:

All the observations of the Secretarial Auditors are Self-Explanatory and do not call for any further clarification /elaboration.

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

Annual Secretarial Compliance Report:

A Secretarial Compliance Report for the financial year ended March 31, 2023 on compliance of all applicable SEBI Regulations and circulars / guidelines issued thereunder, was obtained from M/s. Mihen Halani & Associates, Secretarial Auditors of the Company, and the same is filed with the Stock Exchanges within prescribed timeline.

32. ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, the Annual return will be available on the website of the Company at the link <http://hubtown.co.in/investors>.

33. 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.

34. DEPOSITS:

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

35. 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 framed a Whistle Blower Policy as the vigil mechanism for 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. During the year under review, no such incidence was reported and no personnel were denied access to the Chairman of the Audit and Compliance Committee.

The Whistle Blower Policy has been uploaded on the Company website at the link: <http://hubtown.co.in/investors>.

36. 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 had 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 Report' forming part of this Annual Report.

37. 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, 2023.

38. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions with related parties as defined under the Companies Act, 2013 and SEBI Listing Regulations that were entered into by the Company during the year under review were in the ordinary course of business and on an arm's length basis. There were no contracts / arrangements / transactions with related parties, as defined under Section 188 of the Companies Act, 2013, which could be considered material under the SEBI Listing Regulations. Accordingly, the disclosure of related party transactions as required under Section 134 (3) of the Companies Act, 2013 in Form AOC -2 is not applicable. 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://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 34** forming part of the standalone financial statements.

The transactions with person or entity belonging to the promoter/promoter group which holds 10 per cent or more shareholding in the Company as required under Schedule V, Part A (2A) of the SEBI Listing Regulations is given in **Note 34** (on related party transactions) forming part of the standalone financial statements.

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

39. DISCLOSURE OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

No significant and material orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

Further, detail pertaining to proceeding initiated / pending under the Insolvency and Bankruptcy Code, 2016 ('IBC') during the year under review is as under:

- (i) A petition under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 was filed by the Company against Tin Time Consultancy Private Limited and as on end of the financial year it was under process.
- (ii) A petition has been filed under the Insolvency and Bankruptcy Code, 2016 ("IBC") by International Asset Reconstruction Company Private Limited (IARC), Financial Creditor of the Company, before the National Company Law Tribunal – Mumbai Bench ("NCLT, Mumbai") on September 7, 2022 seeking initiation of Corporate Insolvency Resolution Process (CIRP) against the Company. Subsequently, said petition was withdrawn by IARC upon full and final payments of dues.

Other than aforesaid petition there are no proceedings initiated/pending against the Company under the Insolvency and Bankruptcy Code, 2016.

40. 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.

During the financial year 2022-2023, the Company was not required to spend towards corporate social activities in view of loss incurred by the Company.

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

41. 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://hubtown.co.in/investors>.

The details required to be given under the aforesaid Act forms part of the report on Corporate Governance.

42. CORPORATE GOVERNANCE:

The Company has devised proper systems to ensure compliance with all the applicable provisions and that such systems are adequate and operating effectively. Pursuant to Regulation 34(3) read with Schedule V (E) of the SEBI Listing Regulations, a separate section on Corporate Governance practices followed by the Company, together with a Certificate from Practicing Company Secretary confirming compliance, forms an integral part of this Report.

43. 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 expenditure of ₹ Nil in foreign exchange.

44. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure – 'C'** 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 through electronic mode 21 days before the AGM, during business hours on working days of the Company upto the date of the ensuing AGM.

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

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.

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, 2023.

A declaration to this effect signed by the Managing Director is appended as **Annexure II** to the Corporate Governance Report.

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

46. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:

The details in respect of internal financial control and their adequacy are included in the Management and Discussion & Analysis, which forms part of this report.

47. AFFIRMATION REGARDING COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARD:

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

48. 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 29, 2023 which is appended to and forms part of the Corporate Governance Report.

49. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS:

A certificate from a company secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as stipulated under Regulation 34 (3) read with clause 10 (i) of para C of Schedule V to the SEBI Listing Regulations is appended to and forms part of the Corporate Governance Report.

50. APPRECIATION AND ACKNOWLEDGEMENTS:

Your Directors take this opportunity to thank the employees, customers, suppliers, bankers, business partners / associates, financial institutions and various regulatory authorities for their consistent support / encouragement to the Company.

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 of Directors

Place : Mumbai
Date : May 29, 2023

Hemant M. Shah
Executive Chairman
DIN: 00009659

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

ANNEXURE – A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[[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
CIN: L45200MH1989PLC050688
Hubtown Seasons, CTS NO. 469-A, Opp. Jain Temple,
R.K.Chemburkar Marg, Chembur (East),
Mumbai – 400 071, MH, IN

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hubtown Limited ("the Company")**. Secretarial Audit was conducted in a manner that 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, 2023 (**the "Audit Period"**) 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, 2023 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, 2018 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit period;**
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable to the Company during the Audit Period;**
 - f) The Securities and Exchange Board of India (Issue and Listing Of Non-Convertible Securities) Regulations, 2021 - **Not Applicable to the Company during the Audit Period;**
 - g) 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;

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

- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company during the Audit Period**, and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company during the Audit Period**;
- vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

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

- (i) the Secretarial Standards issued by The Institute of Company Secretaries of India ("The ICSI");
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015].

To the best of our knowledge and belief, during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- a) During the Audit Period, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The committee of the Board is duly constituted. 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.
- b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and notes on agenda were sent at least seven days in advance or with due consents for shorter notice from the directors and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

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 during the audit period;

- *The Company is in due process of amending and updating policy on materiality of related party transactions and on dealing with related party transactions in line with the Regulation 23 of the SEBI (LODR) Regulations, 2015;*

We further report that during the audit period, the following event/action has taken place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above;

- The Company has incorporated and promoted a Private Limited Company with the name of SHK HOTELS AND HOSPITALITY PRIVATE LIMITED as an Associate Company;
- The Company has altered its Articles of Association vide special resolution passed by the shareholders at Extra-Ordinary General Meeting (EOGM) of the Company held on July 21, 2022;
- The Company has issued and allotted 72,00,000 (Seventy-Two Lakh) Convertible Warrants ('Warrants'), at a price of ₹ 57/- (Rupees Fifty-Seven Only) each with a right to the Warrant Holder(s) to apply for and get allotted 1 (one) equity share of the face value of ₹ 10/- (Rupees Ten) each ('the Equity Shares') at a premium of ₹ 47/- (Rupees Forty Seven only) per Equity Share for each warrant, within a period of 18 (Eighteen) months from the date of allotment of the Warrants, for an amount up to ₹ 41,04,00,000/- (Rupees Forty One Crore Four Lakhs Only), on preferential basis vide special resolution passed by the shareholders at EOGM of the Company held on July 21, 2022;
- The Company has allotted 36,00,000 (Thirty Six Lakhs) Equity Shares upon written notice received from the warrant holders to convert / exchange part of their warrants into equity shares of ₹ 10/- each along with warrant exercise price for exercise of 36,00,000 (Thirty Six Lakhs) warrants into equity shares;
- The Company has received One time settlement sanction letter in respect of the loan account of the Company acquired by International Asset Reconstruction Company Private Limited (acting in its capacity as Trustee of IARF-III Trust Scheme 1) from Dena Bank.
- The Company has received (i) email from SEBI on December 12, 2022 and (ii) various emails from National Stock Exchange of India Limited and BSE Limited, seeking clarifications / comments in relation to a complaint letter issued by certain current shareholders of the Company relating to disposal of the Company's interest in a real estate project, namely 25 South ("Project"). The Company has suitably clarified the said concern expressed by certain group of shareholders of the Company and the disclosure in this regard have also submitted the Stock Exchange as per Regulation 30 of the SEBI (LODR) Regulations, 2015.

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

We further report that during the audit period, the Company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

For **Mihen Halani & Associates**
Practicing Company Secretary

Mihen Halani
(Proprietor)
C.P. No. 12015
FCS No: 9926
UDIN : F009926E000412482

Place : Mumbai
Date : May 29, 2023

Note: This report is to be read with our letter of even date which is annexed as "**Annexure A**" herewith and forms as integral part of this report.

ANNEXURE A

To,
The Members,
Hubtown Limited
CIN: L45200MH1989PLC050688

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mihen Halani & Associates**
Practicing Company Secretary

Mihen Halani
(Proprietor)
C.P. No. 12015
FCS No: 9926
UDIN : F009926E000412482

Place : Mumbai
Date : May 29, 2023

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

ANNEXURE 'B'

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. **Brief outline on CSR Policy of the Company:**

The Company's CSR Policy focuses on addressing critical, social, environmental and economic needs of the marginalized/underprivileged sections of the society. The Company adopts an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create social and environmental impact. The Company is committed to the vision of creating a dynamic and developed India along with environmental sustainability and actively contributes to the social and economic development of the communities by building a better and sustainable way of life for the weaker sections of society by providing pollution free environment, Basic Education & Medical Facilities. With this purpose the CSR Committee framed and recommended a CSR Policy to the Board for adoption and instituted a transparent monitoring mechanism for ensuring implementation of the projects / activities to be undertaken by the Company.

2. **Composition of CSR Committee:**

| Sr. No | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|------------------|--------------------------------------|--|--|
| 1. | Mr. Hemant Shah | Chairman / Executive Director | 1 | 1 |
| 2. | Mr. Vyomesh Shah | Member / Managing Director | 1 | 1 |
| 3. | Mr. Sunil Shah | Member/ Independent Director | 1 | 1 |

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.hubtown.co.in/investors>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not applicable for Financial Year 2022-2023.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| Sr. No | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be setoff for the financial year, if any (in ₹) |
|--------|----------------|--|--|
| 1 | 2021-2022 | N.A. | N.A. |
| 2 | 2020-2021 | N.A. | N.A. |
| 3 | 2019-2020 | N.A. | N.A. |
| | Total | N.A. | N.A. |

6. Average net profit/loss of the company as per section 135(5) : ₹ (6511.04) lakh

7 a. Two percent of average net profit of the company as per section 135(5) : ₹ Nil

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : N.A.

c. Amount required to be set off for the financial year, if any : N.A.

d. Total CSR obligation for the financial year (7a+7b-7c) : N.A.

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

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (₹ in lakh) | Amount Unspent (in ₹) | | | | |
|---|---|------------------|--|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| NIL | NIL | NIL | — | — | — |

(b) Details of CSR amount spent against **ongoing projects** for the financial year: None

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
|--------|---------------------|---|---------------------|--------------------------|------------------|--|--|---|---|--|-------------------------|
| Sr. No | Name of the project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project. | Project duration | Amount allocated for the project (in ₹). | Amount spent in the current financial Year (in ₹). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | Name | CSR Registration Number |
| | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year: None

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|--------|---------------------|---|---------------------|--------------------------|----------|--------------------------------------|---|--|-------------------------|
| Sr. No | Name of the project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project. | | Amount spent for the project (in ₹). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| | | | | | | | | | |

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Nil

(g) Excess amount for set off, if any

| Sr. No | Particular | Amount (in ₹) |
|--------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | ₹ Nil |
| (ii) | Total amount spent for the Financial Year | ₹ Nil |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | ₹ Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | N.A. |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | ₹ Nil |

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

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sr. No | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Balance amount in Unspent CSR Account under Section 135(6) (in ₹) | Amount spent in the reporting Financial Year (₹ in lakh) | Amount transferred to any fund specified under Schedule VII as per section 135(5), if any. | | Amount remaining to be spent in succeeding financial years (₹ in lakh) | Deficiency, if any |
|--------|--------------------------|--|---|--|--|-------------------|--|--------------------|
| | | | | | Amount (₹ In lakh) | Date of transfer. | | |
| 1 | 2021-2022 | N.A. | N.A. | N.A. | Nil | N.A. | N.A. | N.A. |
| 2 | 2020-2021 | N.A. | N.A. | 35.00 | Nil | N.A. | N.A. | N.A. |
| 3 | 2019-2020 | N.A. | N.A. | ** | Nil | N.A. | N.A. | N.A. |

** During the financial year 2019-2020, the Company, due to severe liquidity constraints, had not expended the amount of ₹ 16.65 lakh earmarked for corporate social responsibility activities for the financial year 2019-2020, as required under the CSR Rules and the CSR Policy of the Company. However, the entire unspent amount of ₹ 16.65 lakh being the minimum required CSR expenditure of the F.Y. 2019-2020 was carried forward to the next financial year (F.Y. 2020-2021) and the Company has fulfilled its obligation towards corporate social activities for the financial year (2019-2020) by expending an amount of ₹ 25 lakh towards CSR activities during the financial year (2020-2021). The amount of ₹ 25 lakh spent in the financial year 2020-2021 for CSR activities of the financial year 2019-2020 was over and above the CSR allocation for the financial year 2020-2021.

10. Whether any Capital Assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : NO
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : N.A.

For and on behalf of the Board

Place : Mumbai
Date : May 29, 2023

Vyomesh M. Shah
Managing Director
DIN: 00009596

Hemant M. Shah
Chairman of CSR Committee
DIN: 00009659

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

ANNEXURE – 'C'

DISCLOSURE IN DIRECTORS' REPORT - PARTICULARS OF REMUNERATION 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, 2023 | | |
| | Name | Designation | Ratio of remuneration to the median employees' remuneration |
| | Hemant M. Shah | Executive Chairman | 18:01 |
| | Sunil C. Shah | Independent Director | N.A. |
| | Kartik Ruparel | Independent Director | N.A. |
| | Mitkumar Koradia (up to July 11,2022) | Independent Director | N.A. |
| | Ketaki Shah (up to November 28,2022) | Independent Director | N.A. |
| | Milin Ramani (wef September 30, 2022) | Independent Director | N.A. |
| | Bhakti Kothare (wef November 14, 2022) | Independent Director | N.A. |
| | Vyomesh M. Shah | Managing Director | 16:01 |
| | 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 2022-2023 | | |
| | Name | Designation | Increase / (Decrease) in remuneration over 2021-2022 |
| | Hemant M. Shah | Executive Chairman | NIL |
| | Vyomesh M. Shah | Managing Director | NIL |
| | Abhijit Datta (up to January 15, 2022) | Independent Director | N.A. |
| | Sunil C. Shah | Independent Director | NIL |
| | Mitkumar Koradia (up to July 11,2022) | Independent Director | NIL |
| | Kartik Ruparel | Independent Director | NIL |
| | Milin Ramani (wef September 30, 2022) | Independent Director | NIL |
| | Bhakti Kothare (wef November 14, 2022) | Independent Director | NIL |
| | Ketaki Shah (up to November 28,2022) | Independent Director | NIL |
| | Sunil Mago | Chief Financial Officer | 25% |
| | Sadanand Lad | Company Secretary | 20% |
| | There has been no increase in the remuneration of the Executive Chairman and the Managing Director. The increase in remuneration of the Chief Financial Officer and Company Secretary is mentioned above. | | |
| | Independent and Non-Executive Directors are not paid any commission in view of the insufficient profit for the Financial Year under review. | | |
| 3 | The percentage increase in the median remuneration of employees in the Financial Year 2022-2023 | | |
| | There is NIL % increase in median remuneration of employees in the last financial year. | | |
| 4 | The number of permanent employees on the roll of the Company. | | |
| | As on March 31, 2023, there were 75 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 for Financial Year 2022-2023. | | |
| | Any increase in remuneration is due to higher replacement cost of the employees leaving the organization during the financial year 2022-2023. | | |
| 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. | | |

For and on behalf of the Board

Place : Mumbai
Date : May 29, 2023

Hemant M. Shah
Executive Chairman
DIN: 00009659

CORPORATE GOVERNANCE REPORT

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2023

CORPORATE GOVERNANCE PHILOSOPHY

The Report on Corporate Governance reflects the ethos of the Company and its continuous commitment to transparency, integrity, fairness, accountability, ethical business practices and professionalism across its operations. The Company firmly believes that maintaining the highest standards of Corporate Governance is the implicit rule that determines management's ability to make sound decisions and to perform efficiently and ethically in the best interest of its shareholders and other stakeholders to create value for all.

The philosophy of Corporate Governance is a principle based approach as codified in Regulation 4(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), encompassing the fundamentals of rights and roles of various stakeholders of the Company, timely information, equitable treatment, role of stakeholders, disclosure and transparency and board responsibility. The Company's Corporate Governance philosophy has been further strengthened through 'Hubtown Code of Conduct and Ethics for Directors and Senior Management', 'Hubtown Code of Conduct for Prevention of Insider Trading' and Terms of Reference of various Board Committees and the Company's Disclosure Policies.

The Company is in compliance with the requirements on Corporate Governance as they stood during the financial year 2022-23.

A report on the compliance of Corporate Governance requirements under the Listing Regulations and the practices / procedures followed by the Company for the year ended March 31, 2023 is detailed below:

BOARD OF DIRECTORS AND ITS COMMITTEES:

1. **Composition and Category of Directors / Attendance at Meetings / Directorship and Committee Memberships in other Companies / Names of Listed entities and category of Directors as on March 31, 2023**

The Company has the combination of Executive and Non-Executive Director in conformity with Regulation 17 of the Listing Regulations.

The strength of the Board of Directors as on March 31, 2023 is a mix of 4 Non-Executive Independent Directors including women Director and 2 Executive Directors. The Chairman of the Board is an Executive Director.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164 of the Companies Act, 2013 ('the Act').

Independent Directors of the Company are in compliance with the provisions of Regulation 16(1) of the Listing Regulations. In the opinion of the Board, the Independent Director fulfills the conditions specified in Listing Regulations and are Independent of the management. Further, disclosures have been made by the Directors regarding their Chairmanships / Memberships of the mandatory committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 26(1) of the Listing Regulations.

The composition of Board of Directors as on March 31, 2023 and other relevant details are as follows:

1. Mr. Hemant M. Shah – Executive Chairman
2. Mr. Vyomesh M. Shah – Managing Director
3. Mr. Sunil C. Shah – Non-Executive Independent Director
4. Mr. Kartik Ruparel – Non-Executive Independent Director
5. Mr. Milin Jagdish Ramani – Non-Executive Independent Director (wef September 30, 2022)
6. Ms. Bhakti Jaywant Kothare – Non-Executive Independent Director (wef November 14, 2022)
7. Mr. Mitkumar Koradia – Non-Executive Independent Director (upto July 11, 2022)
8. Mrs. Ketaki R. Shah – Non-Executive Independent Director (upto November 28, 2022)

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.

CORPORATE GOVERNANCE REPORT (CONTD.)

Relationship between Directors inter-se:

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.

Shareholding of Non-Executive Directors:

None of the Independent and Non-Executive Directors holds any shares or any convertible instruments in the Company. For this purpose, shares held singly or as first joint shareholder are only to be considered.

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

| Name of Director | Category | Directorship in other public limited companies (*) | No. of Board Committee positions held in other public limited companies | | Relationship with other Directors inter-se |
|--|--------------------------------------|--|---|--------------|--|
| | | | Chairmanship | Membership @ | |
| Mr. Hemant M. Shah, Executive Chairman DIN:00009659 | Executive Non-Independent (Promoter) | — | — | — | Related to Mr. Vyomesh M. Shah |
| Mr. Sunil C. Shah DIN:06947244 | Non-Executive Independent | 1 | 1 | 1 | Not related to any other Director of the Company |
| Mr. Kartik Ruparel DIN:08865104 | Non-Executive Independent | — | — | — | |
| Mrs. Ketaki R. Shah DIN:08865092 (upto November 28, 2022) | Non-Executive Independent | — | — | — | |
| Mr. Mitkumar Koradia DIN:09499124 (upto July 11, 2022) | Non-Executive Independent | — | — | — | |
| Mr. Milin Jagdish Ramani DIN:07697636 (wef September 30, 2022) | Non-Executive Independent | 6 | 1 | 9 | |
| Ms. Bhakti Jaywant Kothare DIN:07381095 (wef November 14, 2022) | Non-Executive Independent | — | — | — | |
| Mr. Vyomesh M. Shah, Managing Director DIN: 00009596 | Executive Non-Independent (Promoter) | 1 | — | — | Related to Mr. Hemant M. Shah |

- Independent Director means a Director as defined under Regulation 16 (1) (b) of the 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.
- @ – Membership includes Chairmanship.
- 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 Listing Regulations.
- None of the Directors hold directorship in more than 10 (ten) public companies.
- None of the Independent Directors has any pecuniary relationship, transactions or association with the Company, which adversely affect their independence.

CORPORATE GOVERNANCE REPORT (CONTD.)

In terms of Schedule V – Part C (2) (c) to the 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, 2023 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. Vyomesh M. Shah | Hubtown Limited | Managing Director, Executive Non-Independent |
| 3. | Mr. Sunil C. Shah | Hubtown Limited | Non-Executive Independent |
| | | Twenty Five South Realty Limited (Debt Listed Entity) | Non-Executive Independent |
| 4. | Mr. Kartik Ruparel | Hubtown Limited | Non-Executive, Independent |
| 5. | Mr. Milin Jagdish Ramani | Hubtown Limited | Non-Executive, Independent |
| | | Comfort Commotrade Limited | Non-Executive, Independent |
| | | Luharuka Media & Infra Limited | Non-Executive, Independent |
| | | Comfort Fincap Limited | Non-Executive, Independent |
| | | Comfort Intech Limited | Non-Executive, Independent |
| | Tree House Education & Accessories Limited | Non-Executive, Independent | |
| 6. | Ms. Bhakti Jaywant Kothare | Hubtown Limited | Non-Executive, Independent |

Board Diversity:

Pursuant to Regulation 19 (4) read with Part 'D' of Schedule II to the 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://hubtown.co.in/investors>.

Appointment and Tenure:

At the ensuing Annual General Meeting of the Company, Mr. Vyomesh Shah (DIN: 00009596) retires by rotation and being eligible, offers himself for reappointment. A detailed profile of the Director seeking reappointment along with additional information as required under Regulation 36 (3) of the Listing Regulations is provided separately by way of an annexure to the Notice of the Annual General Meeting.

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, authorize and monitor strategic investments, ensure regulatory compliance and safeguard interests of all the stakeholders.

Agenda:

The agenda along with 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. Where it is not practicable to send the relevant information as a part of agenda papers, the same are tabled at the meeting. The agenda also includes the minutes of the meetings of all the Board Committees and subsidiary companies in summarized form 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.

During the year under review, information specified in Part 'A' of Schedule II to the Listing Regulations, had been placed before the Board for discussion and consideration.

Independent Directors:

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 Listing Regulations. Further, in terms of Regulation 25 (8) of the 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 Listing Regulations and that they are independent from the management.

CORPORATE GOVERNANCE REPORT (CONTD.)

Appointment of Independent Director:

During the year under review, the Company has appointed Mr. Milin Jagdish Ramani (DIN; 07697636) and Ms. Bhakti Jaywant Kothare (DIN: 07381095) as an Independent Directors with effect from September 30, 2022 and November 14, 2022 respectively.

Resignation of Independent Director:

During the year under review, Mr. Mitkumar Koradia (DIN: 09499124) resigned as an Independent Director of the Company with effect from July 11, 2022 due to his other commitments and Mrs. Ketaki R. Shah (DIN: 08865092) resigned as an Independent Director of the Company with effect from November 28, 2022 due to her personal commitments. Mr. Mitkumar Koradia and Mrs. Ketaki R. Shah confirmed that there were no other material reasons for their resignations other that stated above.

Role of Independent Directors:

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

Familiarization 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://hubtown.co.in/investors>.

Separate Meeting of Independent Directors:

As required by the Code of Independent Directors under Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of the Listing Regulations, all the Independent Directors met on June 23, 2022 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.

Chart setting out the Core Skills / Expertise / Competence of the Board of Directors:

As stipulated by sub-part 2 (h) of Part C of Schedule V to the Listing Regulations, the following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

| | |
|---------------------------------|--|
| Business Leadership | <ul style="list-style-type: none"> Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values |
| 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 |
| Financial Expertise | <ul style="list-style-type: none"> Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes |
| Technical Skills | <ul style="list-style-type: none"> Specialized knowledge in an area or subject such as accounts, finance, auditing, marketing, construction, legal, administration, management, etc. Knowledge of the relevant Technology and Innovations |
| 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 judgment 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 |

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| Name of Directors | Business Leadership | Industry Knowledge and Experience | Financial Expertise | Technical Skills | Governance Competencies | Behavioral Competencies |
|------------------------|---------------------|-----------------------------------|---------------------|------------------|-------------------------|-------------------------|
| Hemant M. Shah | √ | √ | √ | √ | √ | √ |
| Sunil C. Shah | √ | √ | √ | √ | √ | √ |
| Vyomesh M. Shah | √ | √ | √ | √ | √ | √ |
| Kartik Ruparel | √ | √ | √ | √ | √ | √ |
| Milin Jagdish Ramani | — | √ | √ | √ | √ | √ |
| Bhakti Jaywant Kothare | — | √ | √ | √ | √ | √ |

Board Meetings:

During the year under review, the Board met 9 (Nine) times. The meetings were held on April 06, 2022, April 28, 2022, May 30, 2022, June 23, 2022, August 03, 2022, August 13, 2022, November 14, 2022, February 06, 2023 and February 14, 2023 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 Thirty-Fourth AGM held on September 29, 2022 are detailed hereunder:

| Name of the Director | Number of Board Meetings | | Whether attended last AGM held on September 29, 2022 |
|--|--------------------------|----------|--|
| | Held | Attended | |
| Mr. Hemant M. Shah | 9 | 7 | Yes |
| Mr. Vyomesh M. Shah | 9 | 9 | Yes |
| Mr. Sunil C. Shah | 9 | 9 | Yes |
| Mr. Kartik Ruparel | 9 | 8 | Yes |
| Mrs. Ketaki R. Shah (upto November 28, 2022) | 7 | 7 | Yes |
| Mr. Mitkumar Koradia (upto July 11, 2022) | 4 | 3 | NA |
| Mr. Milin Ramani (wef September 30, 2022) | 3 | 3 | NA |
| Ms. Bhakti Kothare (wef November 28, 2022) | 3 | 2 | NA |

The Board met on May 29, 2023, to inter-alia approves the audited annual standalone financial statements and financial results and audited annual consolidated financial statements and financial results of the Company for the year ended March 31, 2023.

Meeting Compliances:

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

2. 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 committees 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 Regulation 18 (3) and Part C of Schedule II to the Listing Regulations. These broadly include:

A. The role of the audit committee shall include the following:

- oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

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2. recommendation for appointment, remuneration and terms of appointment of auditors;
 3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
 5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. approval or any subsequent modification of transactions with related parties;
 9. scrutiny of inter-corporate loans and investments;
 10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
 11. evaluation of internal financial controls and risk management systems;
 12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. discussion with internal auditors of any significant findings and follow up there on;
 15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. 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;
 17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. to review the functioning of the whistle blower mechanism;
 19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
 21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments ;
 22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc.,
- B. The audit committee shall mandatorily review the following information:
1. management discussion and analysis of financial condition and results of operations;
 2. management letters / letters of internal control weaknesses issued by the statutory auditors;
 3. internal audit reports relating to internal control weaknesses; and

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4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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 Listing Regulations. As on March 31, 2023, the Audit and Compliance Committee comprises of 4 (four) Directors, of whom 3 (three) are Independent Directors. 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 Listing Regulations, the Chairman of the Audit and Compliance Committee is a Non-Executive Independent Director. The Company Secretary acts as Secretary of the Audit and Compliance Committee.

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

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

| Name of the Director | Designation in Committee | Designation in Board |
|---|--------------------------|--------------------------------------|
| Mr. Sunil C. Shah | Chairman | Non-Executive, Independent |
| Mr. Kartik Ruparel | Member | Non-Executive, Independent |
| Mr. Mitkumar Koradia (upto July 11, 2022) | Member | Non-Executive, Independent |
| Mr. Milin Jagdish Ramani (w.e.f. November 14, 2022) | 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 meetings form part of the Board Agenda.

Meetings and Attendance:

During the year under review, the Committee met 6 (Six) times. The meetings were held on April 28, 2022, May 30, 2022, June 23, 2022, August 13, 2022, November 14, 2022 and February 14, 2023 respectively. 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 held | No. of meetings attended |
|---|----------------------|--------------------------|
| Mr. Sunil C. Shah | 6 | 6 |
| Mr. Kartik Ruparel | 6 | 5 |
| Mr. Vyomesh M. Shah | 6 | 6 |
| Mr. Mitkumar Koradia (upto July 11, 2022) | 3 | 2 |
| Mr. Milin Jagdish Ramani (w.e.f. November 14, 2022) | 1 | 1 |

Mr. Sunil C Shah, Chairman of the Audit and Compliance Committee was present at the Annual General Meeting of the Company held on September 29, 2022 to answer the queries of the shareholders.

The Committee met on May 29, 2023 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, 2023 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.

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Internal Auditors:

M/s. Protune KSA Consultants Private Limited, Chartered Accountants act as Internal Auditors of 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) are in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2023, the Nomination and Remuneration Committee (NRC) presently comprises of 4 (four) Directors, of whom 3 (three) are Non-Executive Independent Directors 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 of the Nomination and Remuneration Committee.

The composition of the NRC is as follows:

| Name of the Director | Designation in Committee | Designation in Board |
|---|--------------------------|--------------------------------------|
| Mr. Sunil C. Shah | Chairman | Non-Executive, Independent |
| Mr. Kartik Ruparel | Member | Non-Executive, Independent |
| Mr. Mitkumar Koradia (upto July 11, 2022) | Member | Non-Executive, Independent |
| Mr. Milin Jagdish Ramani (w.e.f. November 14, 2022) | Member | Non-Executive, Independent |
| Mr. Hemant M. Shah | Member | Promoter, Executive, Non-Independent |

Mr. Sunil Shah, Chairman of the NRC was present at the Annual General Meeting of the Company held on September 29, 2022.

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 Listing Regulations and the provisions of Section 178 of the Act, which are hereunder :

1. 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;
- 1A. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
2. formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. devising a policy on diversity of Board of Directors;
4. 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;
5. recommend to the Board on the appointment and the terms & conditions of appointment of Managing Director(s) and the Whole-time Director(s);
6. 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
7. recommend to the Board, the remuneration payable, in whatever form, to the senior management as defined under the Listing Regulations.

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Meeting and Attendance:

The NRC met 2 (Two) times during the year under review. The meetings were held on May 30, 2022 and November 14, 2022 respectively. The attendance of each member at the said meeting is as under:

| Name of the Director | No. of meetings attended |
|---|--------------------------|
| Mr. Sunil C. Shah | 2 |
| Mr. Hemant M. Shah | 2 |
| Mr. Kartik Ruparel | 1 |
| Mr. Mitkumar Koradia (upto July 11, 2022) | 1 |
| Mr. Milin Jagdish Ramani (from November 14, 2022) | NA |

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 of the Company and strategic objectives of the Company. The components of total remuneration vary for different employee grades and are based on qualifications and experience of the employee, responsibilities handed by him/her, his/ her individual performance, etc.

The Policy is available on the website of the Company at <http://hubtown.co.in/investors>.

Performance Evaluation criteria of Independent Directors:

Pursuant to the provisions of the Companies Act, 2013, Regulations 17 and 25 of the SEBI Listing Regulations and Guidance Note on Board Evaluation issued by the SEBI, NRC has devised criteria for the evaluation of the performance of Directors, including Independent Directors. An indicative list of factors on which evaluation was carried out includes experience, attendance, acquaintance with the business, effective participation, vision and strategy, contribution and independent judgement.

The Board has carried out the annual evaluation of its own performance, its Committees and Directors. The evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, corporate governance and compliance management etc.

The Performance evaluation of the Independent Directors has been carried out by the entire Board. The Board evaluated and discussed the overall findings of the Performance Evaluation. Summary of the performance evaluation is as under:

- The Board as a whole is functioning cohesively and the Board members have the requisite set of skill and competence to govern the affairs of the Company;
- The quality of the discussions at the meetings of the Board and Committee were concluded as robust and participative; and
- The Board Committees were functioning effectively and as per their designated terms of reference.

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 a uniform basis to reinforce the principles of collective responsibility. Non-Executive Directors are also entitled to sitting fees for attending meetings of the Board and the Committees of which they are members 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:

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

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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 to Non-Executive Directors, not exceeding 1% of the net profit of the Company, subject to a ceiling limit of ₹ 20,00,000/- (Rupees Twenty Lakh only) per annum. As per the standard practice, the Board approves the payment of commission of an amount not exceeding 1% of the net profit of the Company computed in accordance with the provisions of Section 198 of the Act and the ceiling limit, for each financial year, 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 each financial year. The service contract, notice period and severance fees are not applicable to the Independent and Non-Executive Directors.

None of the 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, 2023.

Non-Executive Directors :

| Name of the Director | Sitting Fees (Gross) ₹ | Commission * (Gross) ₹ | No. of Shares held |
|--|---------------------------|---------------------------|--------------------|
| Mr. Sunil C. Shah | 6,90,000 | Nil | Nil |
| Mr. Kartik Ruparel | 5,30,000 | Nil | Nil |
| Mrs. Ketaki Shah (upto November 28, 2022) | 3,40,000 | Nil | Nil |
| Mr. Mitkumar Koradia (upto July 11, 2022) | 2,40,000 | Nil | Nil |
| Mr. Milin Jagdish Ramani (wef September 30, 2022) | 1,50,000 | Nil | Nil |
| Ms. Bhakti Jaywant Kothare (wef November 14, 2022) | 80,000 | Nil | Nil |

* the directors have not recommended payment of commission to Independent Directors and Non-Executive Directors of the Company for the financial year 2022-2023.

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 | 70,20,000 | 39,600 | 7,77,600 | Nil | 3 Years |
| Mr. Vyomesh M. Shah, Managing Director | 62,40,000 | 39,600 | 6,91,200 | Nil | 3 Years |

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

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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 |
|---|--------------------------|--------------------------------------|
| Ms. Bhakti Kothare (from November 14, 2022) | Chairperson | Non-Executive, Independent |
| Mrs. Ketaki Shah (upto November 28, 2022) | Member | Non-Executive, Independent |
| Mr. Sunil C. Shah | Member | Non-Executive, Independent |
| Mr. Hemant M. Shah | Member | Promoter, Executive, Non-Independent |

As on March 31, 2023, the Stakeholders' Relationship Committee comprised of 2 (two) Non-Executive Independent Director and 1 (one) Executive Non-Independent Director.

The constitution of the Stakeholders Relationship Committee is in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Listing Amendment Regulation, 2018").

In accordance with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations, Ms. Bhakti Jaywant Kothare, Non-Executive Independent Director is the Chairperson of the Committee effective from November 14, 2022 in place of Mr. Sunil C. Shah, Non-Executive Independent Director. The Company Secretary acts as Secretary of the Stakeholders Relationship 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 Listing Regulations, which are as hereunder:

- i. 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.;
- ii. review of measures taken for effective exercise of voting rights by shareholders;
- iii. 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
- iv. 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 30, 2022. 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. Hemant Shah | 1 |
| Mr. Ketaki Shah (upto November 14, 2022) | 1 |
| Ms. Bhakti Kothare (from November 14, 2022) | — |

Mr. Sadanand Lad, the Company Secretary of the Company is the Compliance Officer for the purpose of the Listing Regulations.

Status of Investor Complaints for the Financial Year ended March 31, 2023:

During the financial year 2022-2023, no complaints were received by the Company from the investors.

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The status of investor's complaints as on March 31, 2023, is as follows

| | |
|--|-----|
| No. of complaints as on April 1, 2022 | Nil |
| No. of complaints received during the financial year 2022-2023 | Nil |
| No. of complaints resolved upto March 31, 2023 | Nil |
| No. of complaints pending as on March 31, 2023 | Nil |

Dematerialization requests as on March 31, 2023 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. The Annual Report on Corporate Social Responsibility (CSR) Activities pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure 'B' to the Board's Report.

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

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, 2023, the CSR Committee met once on February 14, 2023.

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 of the Corporate Social Responsibility Committee

V. RISK MANAGEMENT COMMITTEE:

Regulation 21 of the Listing Regulations mandates top 1000 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 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.

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

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

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. Sunil C. Shah | Chairman | Non-Executive Independent |
| Mr. Hemant M. Shah | Member | Promoter, Executive, Non-Independent |
| Mr. Vyomesh M. Shah | Member | Promoter, Executive, Non-Independent |

The Company Secretary acts as Secretary of the Risk Management 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 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. Kartik Ruparel | Member | Non-Executive, Independent |
| 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 of the Committee of Directors.

3. 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 Special Resolution |
|----------------|--------------------|---|------------|---|
| 2019-2020 | December 24, 2020 | Meeting was held through Video-Conferencing (VC)/ Other Audio Visual Means (OAVM) | 10:00 A.M. | Issue of Non- Convertible Debentures on a private placement basis; |
| 2020-2021 | September 29, 2021 | Meeting was held through Video-Conferencing (VC)/ Other Audio Visual Means (OAVM) | 10:30 A.M. | i. Re-appointment of Mr. Hemant Shah as wholetime director designated as an Executive Chairman; ii. Re-appointment of Mr. Vyomesh Shah as Managing Director; iii. issue of Non-convertible Debentures on private placement basis. |
| 2021-2022 | September 29, 2022 | Meeting was held through Video-Conferencing (VC)/ Other Audio Visual Means (OAVM) | 11:30 A.M. | N.A. |

The special resolutions passed for the financial years 2019-2020 and 2020-2021 respectively, which were put to vote by e-voting process and for the financial year 2021-22 no special resolution was passed.

CORPORATE GOVERNANCE REPORT (CONTD.)

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

| Financial Year | Date | Location of the Meeting | Time | Particulars of Special Resolution |
|----------------|----------------|---|------------|--|
| 2022-2023 | July, 21, 2022 | Meeting was held through Video-Conferencing (VC)/ Other Audio Visual Means (OAVM) | 11:30 A.M. | i. Alteration of Articles of Association of the Company; ii. Issue of Warrants Convertible into Equity Shares on a Preferential Basis |

- c. **Postal Ballots:**

Resolution passed through Postal Ballot – 1:

1. Appointment of Mr. Mitkumar Koradia (DIN:09499124) as an Non-Executive Independent Director of the Company (Special Resolution)

During the year, Mr. Mitkumar Koradia (DIN:09499124) was appointed as an Independent Director of the Company by the members of the Company through postal ballot, for a period of 5 years from February 14, 2022 upto February 13, 2027.

Details of Postal Ballot:

Postal Ballot Notice dated April 6, 2022, was sent through e-mail only, to all those members who had registered their e-mail addresses with the Company/ depositories as on Friday, April 8, 2022.

Members of the Company exercised their votes by e-voting during the period from 9.00 am on April 13, 2022 till 5.00 p.m. on May 12, 2022.

Mr. Mihen Halani (FCS No. 9926), a Proprietor of M/s. Halani & Associates, Company Secretaries in practice, acted as the Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner and submitted his report on May 12, 2022, after completion of scrutiny and result of the e-voting was announced on the same day.

The summary of voting result is given below:

| Resolution | % Favour | % Against |
|--|----------|-----------|
| Appointment of Mr. Mitkumar Koradia (DIN:09499124) as an Non-Executive Independent Director of the Company for the period of 5 years | 99.99 | 0.01 |

Resolutions passed through Postal Ballot – 2:

2. Appointment of Mr. Milin Jagdish Ramani (DIN: 07697636) as an Independent Director of the Company (Special Resolution)

During the year, Mr. Milin Jagdish Ramani (DIN: 076976360) was appointed as an Independent Director of the Company by the members of the Company through postal ballot, for a period of 5 years from September 30, 2022 upto September 29, 2027.

3. Appointment of Ms. Bhakti Jaywant Kothare (DIN: 07381095) as an Independent Director of the Company (Special Resolution)

During the year, Ms. Bhakti Jaywant Kothare (DIN: 07381095) was appointed as an Independent Director of the Company by the members of the Company through postal ballot, for a period of 5 years from November 14, 2022 upto November 13, 2027.

Details of Postal Ballot:

Postal Ballot Notice dated November 14, 2022, was sent through e-mail only, to all those members who had registered their e-mail addresses with the Company/ depositories as on Friday, November 18, 2022.

Members of the Company exercised their votes by e-voting during the period from 9.00 am on November 24, 2022 till 5.00 p.m. on December 23, 2022.

Mr. Mihen Halani (FCS No. 9926), a Proprietor of M/s. Halani & Associates, Company Secretaries in practice, acted as the Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner and submitted his report on December 26, 2022, after completion of scrutiny and result of the e-voting was announced on the same day.

The summary of voting result is given below:

| Resolution | % Favour | % Against |
|---|----------|-----------|
| Appointment of Mr. Milin Jagdish Ramani (DIN: 076976360) as an Non-Executive Independent Director of the Company for the period of 5 years | 99.92 | 0.08 |
| Appointment of Ms. Bhakti Jaywant Kothare (DIN: 07381095) as an Non-Executive Independent Director of the Company for the period of 5 years | 99.92 | 0.08 |

CORPORATE GOVERNANCE REPORT (CONTD.)

Procedure for Postal Ballot:

In accordance with General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and 03/2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs ("MCA Circulars"), resolutions was proposed to be passed by means of Postal Ballot, only by way of remote e-voting process ("e-voting"). The Company had engaged the services of Link Intime India Private Limited to provide e-voting facility.

In accordance with MCA Circulars, the postal ballot notices were also uploaded on Company's website www.hubtown.co.in and on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in/>. Arrangements were also made for other members to register their email address to receive the postal ballot notice and cast their vote online.

4. 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 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. all relevant information pertaining to the Company including but not limited to the annual reports, quarterly results, shareholding pattern, corporate governance reports and all news/press releases and presentations to institutional investors as and when made are posted on the Company's website at <http://hubtown.co.in/investors>.
- 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 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.

However, the Ministry of Corporate Affairs ("MCA") has vide its circular no 20/2020 dated May 5, 2020, 02/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 and SEBI vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/CIR/2023/4 dated January 5, 2023 directed the companies to send the Annual Report only by e-mail to all the members of the Company. Therefore, the Annual Report for F.Y. 2022-23 and Notice of Thirty-Fifth AGM of the Company is being sent to the members at their registered e-mail addresses in accordance with the said circulars.

5. GENERAL SHAREHOLDER INFORMATION :

I. Thirty Fifth Annual General Meeting :

| | |
|-------|---|
| Day | Thursday |
| Date | September 21, 2023 |
| Time | 11:00 A.M. |
| Venue | The Annual General Meeting (AGM) of the Company is conducting through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to the MCA Circular dated December 28, 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM. |

II. Financial Calendar :

Financial Year : April 1 to March 31.

III. Date of Book Closure :

The Register of Members and Share Transfer Books shall remain closed from Friday, September 15, 2023 to Thursday, September 21, 2023 (both days inclusive) for the purpose of the Annual General Meeting.

CORPORATE GOVERNANCE REPORT (CONTD.)

IV. Dividend Payment Date:

The Board of Directors has not recommended any dividend on the equity shares for the year ended March 31, 2023.

V. Listing Information :

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

| Name of the Stock Exchange | Address |
|--|---|
| BSE Limited | 25th Floor, 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 |

VI 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 |

VII. Payment of Fees :

(I) Listing Fees to Stock Exchanges

The Annual Listing Fees for the year 2023-2024 have been paid to BSE and NSE respectively.

(II) Annual Custodial Fees to Depositories :

The Annual Custodial Fees for the year 2022-2023 have been paid to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited on the basis of the number of beneficial accounts maintained by the respective Depositories as on March 31, 2023.

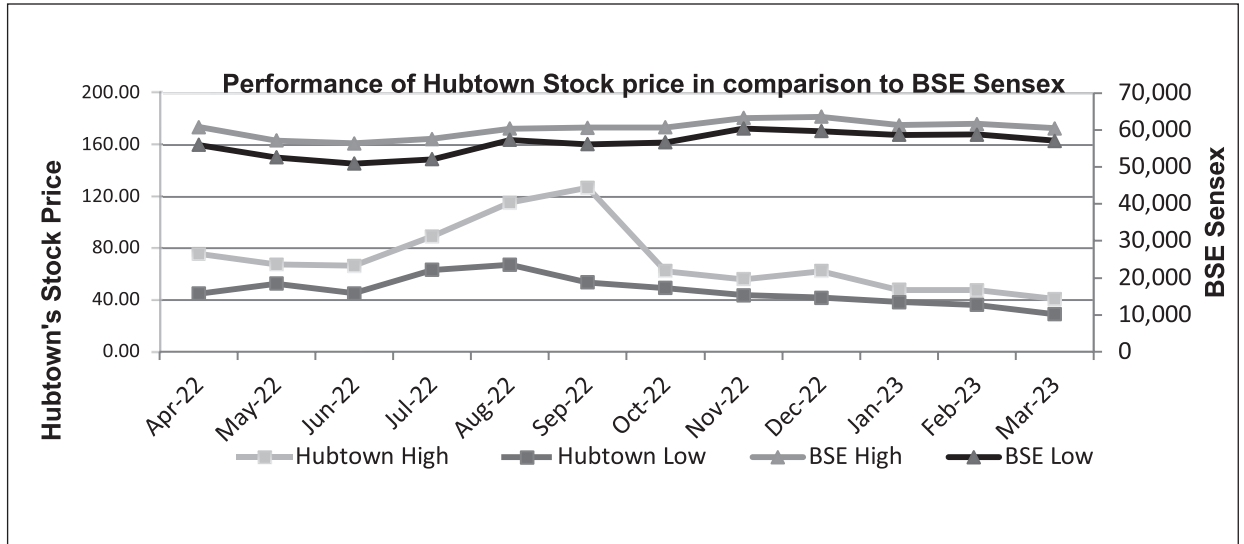
VIII. Market Price Data during 2022 - 2023 :

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, 2022 to March 31, 2023 are given below:

| MONTH | BSE | | | BSE SENSEX | |
|------------------|----------|---------|------------------|------------|-----------|
| | High (₹) | Low (₹) | Volume (in nos.) | High | Low |
| April – 2022 | 75.70 | 44.85 | 14,71,354 | 60,845.10 | 56,009.07 |
| May – 2022 | 67.40 | 52.65 | 5,36,267 | 57,184.21 | 52,632.48 |
| June – 2022 | 66.55 | 45.30 | 6,16,906 | 56,432.65 | 50,921.22 |
| July – 2022 | 89.30 | 63.25 | 35,35,224 | 57,619.27 | 52,094.25 |
| August – 2022 | 115.30 | 67.30 | 30,03,425 | 60,411.20 | 57,367.47 |
| September – 2022 | 126.90 | 53.60 | 42,90,584 | 60,676.12 | 56,147.23 |
| October – 2022 | 62.30 | 49.40 | 7,80,749 | 60,786.70 | 56,683.40 |
| November – 2022 | 56.10 | 43.65 | 6,50,421 | 63,303.01 | 60,425.47 |
| December – 2022 | 62.25 | 41.85 | 10,03,646 | 63,583.07 | 59,754.10 |
| January – 2023 | 47.75 | 38.45 | 6,09,187 | 61,343.96 | 58,699.20 |
| February – 2023 | 47.65 | 36.20 | 5,73,427 | 61,682.25 | 58,795.97 |
| March – 2023 | 40.84 | 29.01 | 11,78,588 | 60,498.48 | 57,084.91 |

CORPORATE GOVERNANCE REPORT (CONTD.)

Stock Performance (Indexed)

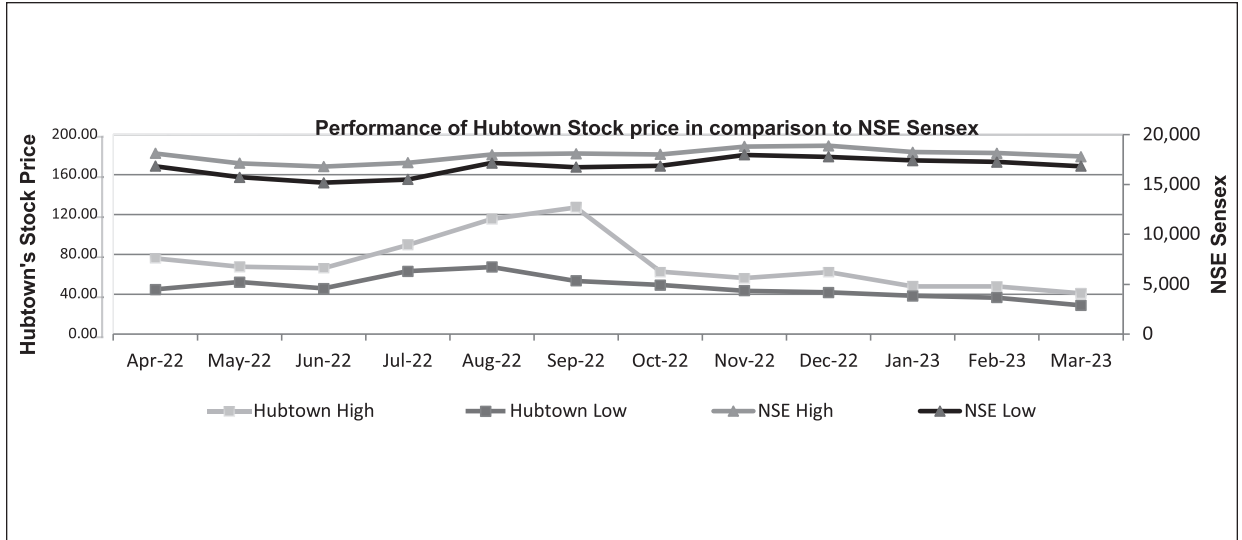


Source : www.bseindia.com

| MONTH | NSE | | | NSE NIFTY | |
|------------------|----------|---------|------------------|-----------|-----------|
| | High (₹) | Low (₹) | Volume (in nos.) | High | Low |
| April – 2022 | 76.10 | 44.70 | 71,92,937 | 18,114.65 | 16,824.70 |
| May – 2022 | 67.35 | 52.00 | 20,15,853 | 17,132.85 | 15,735.75 |
| June – 2022 | 66.20 | 45.75 | 20,59,134 | 16,793.85 | 15,183.40 |
| July – 2022 | 89.30 | 62.90 | 74,55,881 | 17,172.80 | 15,511.05 |
| August – 2022 | 115.35 | 67.20 | 1,24,40,973 | 17,992.20 | 17,154.80 |
| September – 2022 | 126.95 | 53.45 | 1,69,81,290 | 18,096.15 | 16,747.70 |
| October – 2022 | 62.50 | 49.15 | 22,83,383 | 18,022.80 | 16,855.55 |
| November – 2022 | 56.00 | 43.45 | 20,00,567 | 18,816.05 | 17,959.20 |
| December – 2022 | 62.15 | 41.70 | 45,37,621 | 18,887.60 | 17,774.25 |
| January – 2023 | 47.90 | 38.20 | 28,40,089 | 18,251.95 | 17,405.55 |
| February – 2023 | 47.60 | 36.50 | 31,52,240 | 18,134.75 | 17,255.20 |
| March – 2023 | 40.85 | 28.80 | 37,00,771 | 17,799.95 | 16,828.35 |

CORPORATE GOVERNANCE REPORT (CONTD.)

Stock Performance (Indexed)



Source : www.nseindia.com

IX. Suspension of Trading in securities:

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

X. Registrar and Transfer Agent :

Link Intime India Private Limited
247 Park, C 101, 1st Floor, LBS Marg, Vikhroli (West), 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.

XI. 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 of security shall not be processed unless the securities are held in the dematerialised form with a depository. Pursuant to the proviso to Regulation 40 of the Listing Regulations, with effect from January 24, 2022, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

XII. Distribution of shareholding size class as on March 31, 2023

| Slab of shareholding | No. of shareholders | % of shareholders | No. of shares held | % of Shareholding |
|----------------------|---------------------|-------------------|--------------------|-------------------|
| 1 – 500 | 23724 | 82.48 | 2299221 | 3.01 |
| 501 – 1000 | 2108 | 7.33 | 1711807 | 2.24 |
| 1001 – 2000 | 1239 | 4.31 | 1898779 | 2.49 |
| 2001 – 3000 | 520 | 1.81 | 1352957 | 1.77 |
| 3001 – 4000 | 235 | 0.82 | 843455 | 1.11 |
| 4001 – 5000 | 209 | 0.72 | 989230 | 1.29 |
| 5001 – 10000 | 334 | 1.16 | 2522975 | 3.31 |
| 10001 – above | 394 | 1.37 | 64717447 | 84.78 |
| TOTAL | 28763 | 100.00 | 76335871 | 100.00 |

CORPORATE GOVERNANCE REPORT (CONTD.)

XIII. Distribution of shareholding by ownership as on March 31, 2023 :

| CATEGORY | | No. of Shareholders | No. of shares held | % of Total | |
|------------------------------|--|---------------------|--------------------|-----------------|--------------|
| A. | Shareholding of Promoter and Promoter Group | | | | |
| | 1. Indian | | | | |
| | a. Individuals / Hindu Undivided Family | 12 | 34051585 | 44.61 | |
| | b. Bodies Corporate | 2 | 600000 | 0.78 | |
| | Sub-Total (A) [1] | 14 | 34651585 | 45.39 | |
| | 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) | | 14 | 34651585 | 45.39 |
| B. | Public Shareholding | | | | |
| | 1. Institutions | | | | |
| | a. Mutual Funds | 0 | 0 | 0 | |
| | b. Financial Institutions / Banks | 0 | 0 | 0 | |
| | c. Venture Capital Fund | 0 | 0 | 0 | |
| | d. Insurance Companies | 0 | 0 | 0 | |
| | e. Foreign Institutional Investors | 2 | 2733212 | 3.59 | |
| | f. Central / State Government | 1 | 5 | 0.00 | |
| | Sub-Total (B) (1) | 3 | 2733217 | 3.59 | |
| | 2. Non-Institutions | | | | |
| | a. Bodies Corporate | 214 | 10200406 | 13.36 | |
| | b. Resident Individuals | | | | |
| | i. Individual shareholders holding nominal capital upto ₹ 2 lakh | 26563 | 12391460 | 16.23 | |
| | ii. Individual shareholders holding nominal capital in excess of ₹ 2 lakh | 144 | 11516862 | 15.09 | |
| | c. NBFCs registered with RBI | 0 | 0 | 0 | |
| | d. Any Other (Specify) | | | | |
| | i. Trusts | 2 | 3012 | 0.00 | |
| | li Non-Residents | 218 | 3073211 | 4.03 | |
| | lii Overseas Corporate Bodies | 13 | 91620 | 0.12 | |
| | iv. Clearing Members | 2 | 11 | 0.00 | |
| | v. HUF | 24 | 94287 | 0.12 | |
| | vi. Foreign Nationals | 890 | 1579700 | 2.07 | |
| | | 1 | 500 | 0.00 | |
| | Sub-Total (B) (2) | 28071 | 38951069 | 51.02 | |
| B. | Total Public Shareholding (B) = (B)(1) + (B) (2) | | 28074 | 41684286 | 54.61 |
| GRAND TOTAL (A) + (B) | | 28088 | 76335871 | 100.00 | |

CORPORATE GOVERNANCE REPORT (CONTD.)

XIV. Dematerialisation of shares and liquidity :

The Company's shares are compulsorily traded in dematerialized form on BSE and NSE. As on March 31, 2023, 7,63,35,854 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, 2023:

| Particulars | No. of Shares | % to Total Capital |
|---|--------------------|--------------------|
| National Securities Depository Limited | 4,96,41,856 | 65.03 |
| Central Depository Services (India) Limited | 2,66,93,998 | 34.97 |
| Total Dematerialized | 7,63,35,854 | 100.00 |
| Physical | 17 | 0.00 |
| Grand Total | 7,63,35,871 | 100.00 |

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

During the year under review, the Company has not issued GDRs/ADRs/or any other instrument convertible into equity, except Warrants.

During the year under review, pursuant to the approval by the Board of Directors at its meeting held on June 23, 2022 and approval by the members of the Company at their Extra-Ordinary General Meeting held on July 21, 2022 ('EGM'), the Company, on August 3, 2022, has allotted 72,00,000 warrants, each convertible into one equity share, on preferential basis at an issue price of ₹ 57/- each, upon receipt of 25% of the issue price as warrant subscription money. Balance 75% of the issue price is payable within 18 months from the allotment date. The Company, till date, has allotted 36,00,000 fully paid up equity shares against conversion of equal number of warrants. Trading approval for the said equity shares were received from BSE and NSE .

As on March 31, 2023 36,00,000 warrants are outstanding to convert into equity shares.

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

The Company does not have any material foreign exchange exposure and therefore no hedging activities were carried out. Further, the Company does not have material exposure to any commodity and therefore, no hedging activities were carried out and accordingly there is no disclosure required to be made in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.

XVII. Plant locations :

The Company has no plants.

XVIII. Reconciliation of Share Capital Audit :

A qualified practicing company secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up equity shares capital is in agreement with the total number of equity shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

XIX. 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.

CORPORATE GOVERNANCE REPORT (CONTD.)

- 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 Unit: Hubtown Limited C-101, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai – 400 083 | Respective Depository Participants of the Shareholders |
| Contact Person : Mr. 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 | |

XX. Credit Rating:

The Company was not required to obtain any credit rating during the financial year 2022-2023.

6. OTHER DISCLOSURES:

i. 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 and by the shareholders, wherever necessary.

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 BSE, NSE, SEBI or other statutory authority on any matter relating to the capital markets, during the last three years, except the following two instances:

- Regulation 23(9):- Delay of 9 (Nine) days in submission of disclosures of related party transactions on a consolidated basis for the half year ended September 30, 2021 (submitted on December 22, 2021). The Company has paid fines levied by National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) for the said delay in reporting.
- Show cause notice no SEBI/EAD/SM/DD/19328/1/2021 dated August 12, 2021 ("the notice") received by the Company under Rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 in the matter of trading in the scrip of Hubtown Limited for certain violation of provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Company has filed application on October 8, 2021 for settlement under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 pursuant to the show cause notice received dated August 12, 2021. Accordingly, the Internal Committee of the SEBI during their meetings held on December 16, 2021 and February 22, 2022 has examined settlement terms and recommended to settle the matter on payment of ₹ 16,91,415/- (Rupees Sixteen Lakhs Ninety One Thousand Four Hundred and Fifteen only) towards settlement charges of the said show cause notice. On February 24, 2021 the Company has made final settlement application consenting for the payment of ₹ 16,91,415/- (Rupees Sixteen Lakhs Ninety One Thousand Four Hundred and Fifteen only) towards settlement charges of the notice. Subsequently, upon acceptance of final settlement application, the Company has paid the settlement charges of ₹ 16,91,415/- (Rupees Sixteen Lakhs Ninety One Thousand Four Hundred and Fifteen only) to the SEBI.

CORPORATE GOVERNANCE REPORT (CONTD.)

iii. Whistle Blower Policy – Vigil Mechanism:

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has framed its Whistle Blower Policy as a vigil mechanism to enable the Directors and all employees to report in good faith genuine concerns regarding unethical behavior, actual or suspected fraud or any violation of the Company's Code of 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://hubtown.co.in/investors>.

iv. Compliance with mandatory requirements:

For report on compliance with mandatory requirements, kindly refer point no. 8 below. The Company has submitted the quarterly compliance reports on corporate governance to the stock exchanges within the prescribed time limit.

v. Policy for determining Material Subsidiaries:

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

As required under Regulation 16 (1) (c) of the 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://hubtown.co.in/investors>.

vi. Policy on Related Party Transactions:

The policy on materiality of related party transactions framed under Regulation 23 of the Listing Regulations has been revised & approved by the Board of Directors in its board meeting held on May 29, 2023 and uploaded the same on the website of the Company at the following link : <http://hubtown.co.in/investors>.

vii. Policy on determination of Materiality of Events:

The Company has also adopted policy on determination of 'Materiality of Events' and policy on 'Archival of Documents' which have been revised & approved by the Board of Directors in its board meeting held on May 29, 2023 and uploaded the same on the website of the Company at the following link : <http://hubtown.co.in/investors>.

viii. Details of utilization of funds:

During the year under review, the company has raised funds through preferential allotment of convertible warrants and said funds were fully utilised for the objects stated in the explanatory statement to the notice of the Extraordinary General Meeting for issue of said warrants.

ix. Certificate with respect to disqualification or otherwise of directors:

The Company has obtained a certificate from M/s. Mihen Halani & Associates, practicing 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. Non-acceptance of any recommendation of any Committee of the Board which was mandatorily required:

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:

The total fees for all services paid by the listed entity 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 ₹ 63.72 Lakhs.

CORPORATE GOVERNANCE REPORT (CONTD.)

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, 2023 is given in the table hereinbelow:

| | | |
|----|--|-----|
| 1. | number of complaints filed during the financial year 2022-2023 | NIL |
| 2. | number of complaints disposed of during the financial year 2022-2023 | NIL |
| 3. | number of complaints pending as on end of the financial year 2022-2023 | NIL |

During the financial year 2022-23, the committee reconstituted by the Board of Directors in its meeting held on February 14, 2023.

7. DISCLOSURE OF COMPLIANCE WITH REQUIREMENTS OF 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 the said Schedule V.

8. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

The status of compliance with the non-mandatory requirements as specified in Part 'E' of Schedule II to the 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.

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' observations made in their respective reports have been provided in the respective notes to the financial statements.

d. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

The Chairman and the Managing Directors are separate posts in the Company.

e. Reporting of Internal Auditors:

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

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 Regulation 46(2) of the 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 Listing Regulations. All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2023. 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://hubtown.co.in/investors>.

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

Pursuant to Regulation 17 (8) of the 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, 2023. A certificate to that effect signed by the Managing Director and the Chief Financial Officer is appended as **Annexure - III** to this Report.

CORPORATE GOVERNANCE REPORT (CONTD.)

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 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 2022-2023 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereafter.

The Annual Secretarial Compliance Report issued by M/s. Mihen Halani & Associates, a company secretary in practice has been submitted to the stock exchanges.

14. DETAILS OF DEMAT SUSPENSE ACCOUNT:

Pursuant to Regulation 34 (9) read with Schedule VI to Listing Regulations, the Company has opened a separate demat suspense account in the name and style of "Hubtown Limited – Unclaimed Shares Suspense Account" and credited the shares of the Company which are remaining unclaimed by the shareholders under the Initial Public Offering (IPO). The details of such unclaimed shares as on March 31, 2023 are set out hereunder:

| 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, 2022 | 20 | 270 |
| 2. | No. of shareholders who approached for transfer of shares from the said account during the year 2022-2023 | Nil | Nil |
| 3. | No. of shareholders to whom the shares were transferred from the said account during the year 2022-2023 | 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, 2023. | 20 | 270 |

The voting rights on the outstanding unclaimed shares as on March 31, 2023 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 BSE for corporates. All periodical compliances like shareholding pattern, corporate governance report, and other disclosures are filed electronically on the Listing Centre.

CORPORATE GOVERNANCE REPORT (CONTD.)

ANNEXURE - I

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

The Members,
Hubtown Limited
CIN: L45200MH1989PLC050688

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hubtown Limited bearing CIN - L45200MH1989PLC050688 and having registered office situated at Hubtown Seasons, CTS NO. 469-A, Opp. Jain Temple, R.K. Chemburkar Marg, Chembur (East), Mumbai – 400 071, Maharashtra, India (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 of the Ministry of Corporate Affairs at “www.mca.gov.in”) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director 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 | Date of appointment in Company |
|---------|-----------------------------|----------|--------------------------------|
| 1. | Mr. Vyomesh Mahipatray Shah | 00009596 | 30-11-2006 |
| 2. | Mr. Hemant Mahipatray Shah | 00009659 | 16-02-1989 |
| 3. | Mr. Sunil Chandrakant Shah | 06947244 | 14-08-2014 |
| 4. | Mr. Kartik Ruparel | 08865104 | 15-09-2020 |
| 5. | Mr. Milin Jagdish Ramani | 07697636 | 30-09-2022 |
| 6. | Ms. Bhakti Jaywant Kothare | 07381095 | 14-11-2022 |

Ensuring the eligibility 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 **Mihen Halani & Associates**
Practicing Company Secretaries

Place : Mumbai
Date : May 29, 2023
UDIN : F009926E000412515

Mihen Halani
(Proprietor)
CP No.: 12015
FCS No.: 9926

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, 2023.

For **Hubtown Limited**

Place : Mumbai
Date : May 29, 2023

Vyomesh M. Shah
Managing Director
DIN : 00009596

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, 2023 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, 2023 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 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**

Place : Mumbai
Date : May 29, 2023

Vyomesh M. Shah
Managing Director
DIN : 00009596

Sunil Mago
Chief Financial Officer

CORPORATE GOVERNANCE REPORT (CONTD.)

ANNEXURE - IV

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE REPORT

To
The Members,
Hubtown Limited
CIN: L45200MH1989PLC050688

We have examined the Compliance of Conditions of Corporate Governance by Hubtown Limited ("the Company"), for the year ended on March 31, 2023, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (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 procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations as given to us, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations), except following:

- *The Company is in due process of amending and updating policy on materiality of related party transactions and on dealing with related party transactions in line with the Regulation 23 of the SEBI (LODR) Regulations, 2015;*

We state that in respect of investor's grievance received during the year ended March 31 2023, the Registrar and Transfer Agent of the Company have certified that as at March 31, 2023, there were no investors' grievances remaining unattended / pending to the satisfaction of the investor.

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

For **Mihen Halani & Associates**
Practicing Company Secretaries

Place : Mumbai
Date : May 29, 2023
UDIN : F009926E000412537

Mihen Halani
(Proprietor)
CP No.: 12015
FCS No.: 9926

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, 2023, 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, 2023, the profit after considering 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 29 to the standalone financial statements of the Company for the year, with regards the Company not having provided for Interest expense amounting to ₹ 56729.53 lakhs on certain Inter-corporate deposits. Consequent to above, finance cost for the year ended 31st March, 2023 has been understated by ₹ 56729.53 lakhs resulting in a consequential increase in the profit for the year ended 31st March, 2023 to that extent. Our opinion on the Standalone financial statements for the year ended March 2022 was also modified in respect of this matter.

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 12 and footnote (d) to Note 31 to the standalone financial statements, 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 37 (i) (B) of the standalone financial statements, regarding Corporate guarantees issued and securities provided aggregating INR 44,338.25 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 37 of the standalone financial statements regarding the above corporate guarantees issued and securities provided are disclosed at amounts outstanding as at 31st March, 2023. 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 37 of the standalone financial statements, 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 statements, regarding balances that are subject to confirmations, reconciliation and adjustments, if any.
- g) Footnote (a) to Note 9 of the standalone financial statements, 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 (f) to Note 6 of the standalone financial statements, regarding the Company's investments in certain subsidiaries, jointly controlled entities and associates as at 31st March, 2023 which have incurred losses and carry an eroded net worth as at 31st March, 2023.
- i) Footnote (c) to Note 6 of the standalone financial statements regarding non-receipt of financial statements of one of its Joint Venture & one of its associate Company for year ended 31st March, 2023. In the opinion of management, share of profit/(loss) of such Joint Venture will not have any material impact on the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- j) Footnote (g) to Note 6 in respect of investment made by the parent company in deep discount bonds of amounting to ₹ 97412.85 lakhs in a Joint venture with negative net worth, the management of both parties have mutually agreed that Hubtown Limited shall not charge/ claim any interest on the outstanding amount of ₹ 97412.85 lakhs till such time the company receives commencement certificate for development of the project.

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 for real estate projects</p> <p>The Company applies Ind AS 115 "Revenue from contracts with customers" for recognition of revenue from real estate projects, which is being recognised at a point in time upon the Company satisfying its performance obligation and the customer obtaining control of the underlying asset.</p> <p>Considering application of Ind AS 115 involves significant judgment in identifying performance obligations and determining when 'control' of the asset underlying the performance obligation is transferred to the customer, the same has been considered as key audit matter.</p> | <p>I. Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Read the Company's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115. • Obtained and understood revenue recognition process including identification of performance obligations and determination of transfer of control of the asset underlying the performance obligation to the customer. • Read the legal opinion obtained by the Company to determine the point in time at which the control is transferred in accordance with the underlying agreements. • Tested, revenue related transactions with the underlying customer contracts, sale deed and handover documents, evidencing the transfer of control of the asset to the customer based on which revenue is recognised. • Assessed the revenue-related disclosures included in Note 24 to the standalone Ind AS financial statements in accordance with the requirements of Ind AS 115. |
| <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 ventures 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 ventures and associates vis-a-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 I 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 ventures 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 ventures and associate companies • Verified adequacy of disclosures in respect of the Investments in subsidiaries, joint ventures and associ |

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Other Matters

Attention is further invited to the Statement of Profit and Loss of the Company which includes share of loss from investments in partnership firms/joint ventures aggregating to INR 2.31 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 is 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- 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;
 - 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) Except for the matter described in the Basis for Qualified Opinion paragraph above, 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 2023 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- iv. (a). The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b). The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c). Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Final dividend paid or declared for the previous year is in accordance with section 123 of the Act to the extent it applies for the payment of dividend.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable

FOR **JBTM & ASSOCIATES LLP**
Firm Registration No.: W100365
Chartered Accountants

Place : Mumbai
Date : May 29, 2023

DHAIRYA BHUTA
Partner Membership No.: 168889
UDIN: 23168889BGYGEJ3829

INDEPENDENT AUDITOR'S REPORT (CONTD.)

ANNEXURE "A" REFERRED TO IN OUR REPORT TO THE MEMBERS OF HUBTOWN LIMITED ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) The company has regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner ver a period of three years which in our opinion is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immoveable properties recorded as fixed assets in the books of accounts are held in the name of the company as at the balance sheet date.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per our opinion no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) In our opinion, the management has conducted physical verification of Inventory at reasonable intervals. No material discrepancies were noticed on the aforesaid verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year.
- (iii) The Company has granted unsecured loan to companies covered under the register maintained under Section 189 of the Act
- (a) During the year company has provided loans or provided advances in the nature of loans to other entity as follows

| To whom | The aggregate amount during the year | Balance outstanding at the balance sheet date |
|--|--------------------------------------|---|
| Subsidiaries, Joint ventures and associates | 138.67 Lakhs | 3188.65 Lakhs |
| Parties other than Subsidiaries, Joint ventures and associates | — | 37.07 Lakhs |

- (b) The terms and condition of the loan are prima facie not prejudicial to the interest of the Company
- (c) The schedule of repayment of principal and interest, if any, has been stipulated as per terms of the arrangement
- (d) As per the terms and conditions of the arrangement, the amount of the loan is not overdue;
- (e) According to the information and explanation given to us, in respect of any loan or advance in the nature of loan granted which has fallen due during the year, none has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties;
- (f) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment required details in respect thereof are as below

| The Aggregate Amount | Percentage thereof to the total Loans Granted | Aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 |
|----------------------|---|---|
| 138.67 | 100% | 138.67 |

- (iv) In our opinion and according to the information and explanation given to us in respect of the loans, investments, guarantees and securities, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed thereunder to the extend notified; Further, attention is invited to footnote (g) to Note 18.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- (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, and Goods 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 ₹ 158.43 lakhs relating to Income Tax Deducted at Source, ₹ 21.97 lakhs relating to Value Added Tax, and interest and late fee relating to indirect tax ₹ 982.99 lakhs
- (b). The dues outstanding in respect of Income Tax, Provident Fund, Profession Tax, Tax Deducted at Source, and Goods and Service Tax on account of any dispute, are as follows

| Statute and nature of dues | Financial Year | Amount (₹ in lakhs) | Forum where dispute is pending |
|--|-------------------|------------------------|--|
| Service Tax (Finance Act, 1994) | | | |
| Service Tax | 2011-12 | 481.60 | Customs, Central Excise and Service Tax Appellate Tribunal |
| Service Tax | 2012-13 | 451.00 | Customs, Central Excise and Service Tax Appellate Tribunal |
| Service Tax | 2013-14 | 520.83 | Customs, Central Excise and Service Tax Appellate Tribunal |
| Service Tax | 2014-15 | 727.52 | Customs, Central Excise and Service Tax Appellate Tribunal |
| Service Tax | 2012-13 to Jun-17 | 6,881.52 | Commissioner of CGST, Mumbai South Commissionerate |
| Goods and Service Tax | | | |
| GST | Jul 17 to Mar 18 | 343.00 | Deputy Commissioner of State Tax, Mazgaon |
| GST | Apr 18 to Mar 19 | 603.64 | Deputy Commissioner of State Tax, Mazgaon |
| GST | Apr 19 to Mar 20 | 288.17 | Deputy Commissioner of State Tax, Mazgaon |
| GST | Apr 20 to Mar 21 | 194.76 | Deputy Commissioner of State Tax, Mazgaon |
| 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 | 2011-12 | 74.88 | Commissioner of Income Tax (Appeal) |
| Income Tax | 2015-16 | 426.93 | Commissioner of Income Tax (Appeal) |
| Income Tax | 2016-17 | 3,032.31 | Commissioner of Income Tax (Appeal) |
| Income Tax | 2018-19 | 23,645.72 | Commissioner of Income Tax (Appeal) |
| Income Tax | 2019-20 | 328.90 | Commissioner of Income Tax (Appeal) |

- (viii) In our opinion and according to the information and explanations given to us, the Company has no such transactions which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to the information and explanation given to us, the company has delayed in repayment of dues to banks and financial institutions. 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 institutions for the amounts and period of delays in payment of principle and interest thereon.
- (b) The Company has not been declared as a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion, The Company has applied term loans for the purpose for which they were obtained.
- (d) On an overall examination of the standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long term purposes by the Company.
- (e) In our opinion, The Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion, The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- (x) (a) In our opinion, and according to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer during the year. **Accordingly, the provisions of clause 3 (x) of the Order is not applicable to the Company.**
- (b) In our opinion, and according to the information and explanations given to us, the company has made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. The amount raised have been used for the purpose for which the funds were raised. Details of which are as under:

| Name of the party | Number of share warrant issued | Number of Share warrants into equity shares |
|---------------------|--------------------------------|---|
| Meha Rushank Shah | 36,00,000 | 18,00,000 |
| Pratiti Mayank Shah | 36,00,000 | 18,00,000 |

- (xi) (a) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management. **Accordingly, paragraph 3 (xi) (b) Order are not applicable to the Company.**
- (c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.
- (xii) (a) The company is not a Nidhi company and hence clause 3 (xii) of the Order is not applicable to the Company. **Accordingly, paragraph 3 (xii) (b), 3 (xii) (c) Order are not applicable to the Company.**
- (xiii) According to the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit i.e., FY 2022-23 were considered by us.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion and according to the information and explanations given to us, This Paragraph is not applicable to The Company.
- (c) In our opinion and according to the information and explanations given to us. The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India. **Accordingly, paragraph 3 (xvi) (d) Order are not applicable to the Company.**
- (xvii) According to the information and explanations given to us, the Company has not incurred cash losses in the Financial Year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. **Accordingly, paragraph 3 (xviii) Order are not applicable to the Company.**
- (xix) In our opinion and according to the information and explanations given to us on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) In our opinion and according to the information and explanations given to us, there are no ongoing projects hence there are no unspent funds which are required to be transferred to a fund specified in Schedule VII to the Companies Act in accordance to compliance with provisions of section 135 of the Companies Act, 2013. **Accordingly, paragraph 3 (xx) Order are not applicable to the Company.**

INDEPENDENT AUDITOR'S REPORT (CONTD.)

(xxi) There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies whose audit report is provided to us and included in the consolidated financial statements. Out of the company's included in the statements following is the list of Companies whose CARO report has not been issued by its auditor till the date of signing this Audit report:

Subsidiary Company

- Citywoods Builders Private Limited
- Yanti Buildcon Private Limited
- Diviniti Project Private Limited
- Citygold Education Research Limited
- Ackruti Safeguard System Private Limited
- Gujarat Akruti — TCG Biotech Limited
- Rubix Trading Private Limited

Associates

- Giraffe Developers Private Limited
- SHK Hotels and Hospitality Private Limited

Joint Ventures

- Sunstream City Private Limited
- Hubtown Bus Terminal (Ahmadabad) Private Limited
- Hubtown Bus Terminal (Mehsana) Private Limited
- Rare Townships Private Limited
- Joyous Housing Limited

FOR **JBTM & ASSOCIATES LLP**
Firm Registration No.: W100365
Chartered Accountants

Place : Mumbai
Date : May 29, 2023

DHAIRYA BHUTA
Partner Membership No.: 168889
UDIN: 23168889BGYGEJ3829

INDEPENDENT AUDITOR'S 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 (f) 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, 2023 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;

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

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

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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 **JBTM & ASSOCIATES LLP**
Firm Registration No.: W100365
Chartered Accountants

Place : Mumbai
Date : May 29, 2023

DHAIRYA BHUTA
Partner Membership No.: 168889
UDIN: 23168889BGYGEJ3829

BALANCE SHEET AS AT 31ST MARCH, 2023

| Particulars | Note | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|------|---|---|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, plant and equipment | 3 | 94.74 | 130.36 |
| (b) Investment properties | 4 | 3,305.29 | 3,453.19 |
| (c) Intangible assets | 5A | — | — |
| (d) Right to use assets | 5B | 148.56 | 120.98 |
| (e) Financial assets | | | |
| (i) Investments | 6 | 1,24,734.23 | 1,36,670.50 |
| (ii) Loans | 7 | 860.84 | 756.42 |
| (iii) Trade receivables | 8 | — | — |
| (iv) Other financial assets | 9 | 772.48 | 461.50 |
| (f) Deferred tax assets (Net) | 10 | 4,827.18 | 1,638.31 |
| (g) Other non-current assets | 11 | 369.95 | 363.02 |
| Total Non-Current Assets | | <u>1,35,113.27</u> | <u>1,43,594.28</u> |
| Current Assets | | | |
| (a) Inventories | 12 | 1,16,190.63 | 1,22,073.74 |
| (b) Financial assets | | | |
| (i) Investments | 6 | 1,200.68 | 1,200.40 |
| (ii) Loans | 7 | 2,372.69 | 2,800.01 |
| (iii) Trade receivables | 8 | 18,988.25 | 23,115.05 |
| (iv) Cash and cash equivalents | 13 | 1,427.87 | 1,693.10 |
| (v) Bank balances other than (iv) above | 14 | 124.67 | 464.66 |
| (vi) Other financial assets | 9 | 72,564.42 | 71,662.24 |
| (c) Current tax assets (Net) | 15 | 1,239.20 | 939.71 |
| (d) Other current assets | 11 | 2,940.64 | 2,776.24 |
| Total Current Assets | | <u>2,17,049.05</u> | <u>2,26,725.15</u> |
| TOTAL ASSETS | | <u><u>3,52,162.32</u></u> | <u><u>3,70,319.43</u></u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 16 | 7,633.59 | 7,273.59 |
| (b) Other equity | 17 | 1,36,106.78 | 1,32,866.45 |
| Total Equity | | <u>1,43,740.37</u> | <u>1,40,140.04</u> |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 209.82 | 1,435.09 |
| (ii) Lease Liability | 19 | 137.60 | 118.15 |
| (iii) Trade payables | 20 | | |
| — due to MSME | | — | — |
| — due to Other | | — | — |
| (iv) Other financial liabilities | 21 | 1,966.81 | 3,133.14 |
| (b) Provisions | 22 | 69.67 | 165.04 |
| Total Non-Current Liabilities | | <u>2,383.90</u> | <u>4,851.42</u> |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 18 | 40,500.33 | 43,628.29 |
| (ii) Lease Liability | 19 | 25.63 | 20.05 |
| (iii) Trade payables | 20 | | |
| — due to MSME | | 1,038.43 | 833.85 |
| — due to Other | | 10,693.31 | 12,769.19 |
| (iv) Other financial liabilities | 21 | 96,737.45 | 99,164.50 |
| (b) Other current liabilities | 23 | 56,819.70 | 68,700.01 |
| (c) Provisions | 22 | 223.20 | 212.08 |
| Total Current Liabilities | | <u>2,06,038.05</u> | <u>2,25,327.97</u> |
| Total Liabilities | | <u><u>2,08,421.95</u></u> | <u><u>2,30,179.39</u></u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>3,52,162.32</u></u> | <u><u>3,70,319.43</u></u> |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGEJ3829
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

| Particulars | Note | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|---|-----------|--|--|
| I INCOME | | | |
| Revenue from Operations | 24 | 21,903.26 | 18,282.20 |
| Other Income | 25 | 1,582.31 | 6,443.00 |
| Share of Profit / (Loss) of Joint Ventures and Partnership Firms (Net) | | (2.32) | (1.86) |
| TOTAL INCOME | | 23,483.25 | 24,723.34 |
| II EXPENSES | | | |
| Cost of Construction / Development | 26 | 8,668.77 | 13,479.63 |
| Purchase of Stock-in-Trade | | 151.00 | 238.82 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 27 | 4,433.84 | (3,162.64) |
| Employee Benefits Expense | 28 | 932.18 | 983.89 |
| Finance Cost | 29 | 4,754.42 | 5,454.15 |
| Depreciation and Amortisation Expenses | 30 | 269.72 | 317.71 |
| Other Expenses | 31 | 6,381.35 | 19,079.86 |
| TOTAL EXPENSES | | 25,591.28 | 36,391.42 |
| Profit/(Loss) before Tax | | (2,108.03) | (11,668.08) |
| Tax Expense | | | |
| (a) Current Tax | | — | — |
| (b) Deferred tax (charge) / credit | | 3,188.86 | (420.77) |
| Total Tax Expense for the Year | | 3,188.86 | (420.77) |
| Profit/(Loss) for the Year | | 1,080.83 | (12,088.85) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Remeasurement of the net defined benefit liability / asset | | (72.50) | 405.16 |
| Total other Comprehensive Income | | (72.50) | 405.16 |
| Total Comprehensive Income/(Loss) for the year | | 1,008.33 | (11,683.69) |
| Earning per equity share of nominal value of ₹ 10/- each (in Rupees) | 32 | | |
| Basic and Diluted | | 1.47 | (16.62) |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGEJ3829
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| Particulars | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| [A] CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | (2,108.03) | (11,668.08) |
| Adjustments for: | | |
| Interest Expenses | 3,187.73 | 3,513.50 |
| Interest expense on financial liabilities measured at fair value | 1,541.33 | 1,888.52 |
| Interest expense on account of right to use | 25.36 | 51.58 |
| share of profit/(loss) from investment in partnership firms and JV | (2.32) | (1.86) |
| Depreciation/Amortisation/Impairment of Property, Plant and Equipments and Intangible Assets | 188.86 | 202.43 |
| Depreciation on lease assets | 80.85 | 115.28 |
| Unwinding of interest free loans | (61.60) | (54.27) |
| Provision for Doubtful Receivables/Advances/Sundry balances written off | 198.54 | 13,277.05 |
| (Profit)/Loss on sale of Property, Plant and Equipments (Net) | (3.60) | (25.73) |
| Provisions no longer required | — | (4,731.30) |
| Interest Income | (105.00) | (112.00) |
| Remeseasurement of the net defined benefit liability / asset | (72.50) | 405.16 |
| Bad debts | — | 1,700.92 |
| Provision/Advances/Sundry Balances written back | 164.08 | — |
| Provision for doubtful debts | 1,022.23 | 139.78 |
| Revaluation of mutual fund | (0.28) | (0.16) |
| Interest income on financial assets/liabilities measured at fair value | (1,376.39) | (1,376.90) |
| Unwinding of security deposits | (21.39) | (19.67) |
| Sundry credit balances appropriated | (1,328.99) | (61.73) |
| Diminution in value of inventories | 1,461.23 | — |
| Operating Profit/(Loss) before changes in working capital | 2,790.11 | 3,242.54 |
| Adjustment for (Increase)/Decrease in Operating Assets | | |
| Adjustments for decrease (increase) in inventories | 4,421.88 | 326.63 |
| Adjustments for decrease (increase) in trade receivables, current | 3,104.56 | (6,178.17) |
| Adjustments for decrease (increase) in other current assets | (164.40) | 9,468.25 |
| Adjustments for decrease (increase) in other non-current assets | (5.93) | 2,537.43 |
| Adjustments for other financial assets, non-current | (289.59) | (67.21) |
| Adjustments for other financial assets, current | (1,264.81) | (11,467.96) |
| Adjustment for Increase/(Decrease) in Operating Liabilities | | |
| Adjustments for increase (decrease) in trade payables, current | (1,871.30) | 473.08 |
| Adjustments for increase (decrease) in other current liabilities | (10,552.33) | 10,443.94 |
| Adjustments for provisions, current | 11.12 | (395.00) |
| Adjustments for provisions, non-current | (95.37) | (37.90) |
| Adjustments for other financial liabilities, current | (1,823.19) | (2,497.96) |
| Adjustments for other financial liabilities, non-current | 157.31 | 243.19 |
| Cash flow from operations after changes in working capital | (5,581.94) | 6,090.84 |
| Net Direct Taxes (Paid)/Refunded | (299.49) | (134.28) |
| Net Cash Flow from/(used in) Operating Activities | (5,881.43) | 5,956.56 |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| Particulars | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| [B] CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (5.34) | (27.32) |
| Proceeds from sales of investment property | 3.60 | 35.09 |
| Cash receipts from repayment of advances and loans made to other parties | 322.90 | 70.03 |
| Changes in current Investment | 11,938.60 | 2,035.01 |
| Interest received | 219.21 | 112.19 |
| Bank Balances not considered as Cash and Cash Equivalents | 339.99 | (76.55) |
| Net Cash Flow from/(used in) Investing Activities | 12,818.96 | 2,148.45 |
| [C] CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 128.05 | 2,499.69 |
| Repayments of borrowings | (6,484.52) | (7,582.51) |
| Proceeds from issue of share warrants | 540.00 | — |
| Proceeds from issuing shares | 2,052.00 | — |
| Interest paid | (3,900.21) | (2,492.08) |
| Net Cash Flow from/(used in) Financing Activities | (7,664.68) | (7,574.90) |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | (727.15) | 530.11 |
| Cash & Cash Equivalents at beginning of period (see Note 1) | (625.88) | (1,155.99) |
| Cash and Cash Equivalents at end of period (see Note 1) | (1,353.02) | (625.88) |
| Notes: | | |
| 1. Cash and Cash equivalents comprise of: | | |
| Cash on Hand | 16.73 | 20.06 |
| Balance with Banks | 1,411.14 | 1,673.04 |
| Bank Overdraft | (2,780.89) | (2,318.98) |
| Cash and Cash equivalents | (1,353.02) | (625.88) |

2. Figures of the previous year have been regrouped / reclassified wherever necessary.

The accompanying notes are an integral part of the financial statements

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 **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGEJ3829
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

| A. EQUITY SHARE CAPITAL | | | | | Note 16 | | | |
|--|---|--|---|--|------------------------------|-----------------|------------------|-------------|
| | | | | | (₹ in lakhs) | | | |
| Balance at the beginning of the current reporting period | changes in Equity share capital due to prior period items | Related balance at the beginning of the current reporting period | Changes in Equity share capital during the current year | Balance at the end of the current reporting period | | | | |
| (1) Current reporting period | | | | | | | | |
| 7,273.59 | — | — | 360.00 | 7,633.59 | | | | |
| (2) Previous reporting period | | | | | | | | |
| 7,273.59 | — | — | — | 7,273.59 | | | | |
| B. OTHER EQUITY | | | | | Note 17 | | | |
| | | | | | (₹ in lakhs) | | | |
| | Share Application money pending allotment | Money received against Share Warrants | Reserves and Surplus | | | | | Total |
| | | | Capital Reserve | Securities Premium | Debenture Redemption Reserve | General Reserve | Retained Earning | |
| (1) Current reporting period | | | | | | | | |
| Balance at the beginning of the current reporting period | — | — | — | 60,716.12 | — | 32,995.00 | 39,155.36 | 1,32,866.45 |
| Changes in accounting policy or prior period errors | — | — | — | — | — | — | — | — |
| Restated balance at the beginning of the current reporting period | — | — | — | — | — | — | — | — |
| Total Comprehensive income for the current year | — | — | — | — | — | — | (72.50) | (72.50) |
| Dividends | — | — | — | — | — | — | — | — |
| Transfer (to)/from General Reserve | — | — | — | — | — | — | — | — |
| Received on issue of share warrants convertible into equity shares | — | 2,592.00 | — | — | — | — | — | 2,592.00 |
| Conversion of share warrants into equity shares | — | (2,052.00) | — | 1,692.00 | — | — | — | (360.00) |
| Transfer to Retained earnings | — | — | — | — | — | — | 1,080.83 | 1,080.83 |
| Any other change (to be specified) | — | — | — | — | — | — | — | — |
| Balance at the end of the current reporting period | — | 540.00 | — | 62,408.12 | — | 32,995.00 | 40,163.69 | 1,36,106.78 |
| (2) Previous reporting period | | | | | | | | |
| Balance at the beginning of the Previous reporting period | — | — | — | 60,716.12 | — | 32,995.00 | 50,839.02 | 1,44,550.14 |
| Changes in accounting policy or prior period errors | — | — | — | — | — | — | — | — |
| Restated balance at the beginning of the Previous reporting period | — | — | — | — | — | — | — | — |
| Total Comprehensive income for the Previous year | — | — | — | — | — | — | 405.16 | 405.16 |
| Dividends | — | — | — | — | — | — | — | — |
| Transfer (to)/from General Reserve | — | — | — | — | — | — | — | — |
| Transfer to Retained earnings | — | — | — | — | — | — | (12,088.85) | (12,088.85) |
| Recognition of share based payment | — | — | — | — | — | — | — | — |
| Balance at the end of the Previous reporting period | — | — | — | 60,716.12 | — | 32,995.00 | 39,155.33 | 1,32,866.45 |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGEJ3829
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
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SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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 29th May, 2023.

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 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 and 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 judgments, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, 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) Judgments

Classification of property

The Company determines whether a property is classified as investment property or inventories. 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 properties 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, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (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)**

Inventories 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.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale

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 investments are measured at cost / carrying value. The Company has performed valuation for its investments in equity of subsidiaries, associates and JVs for assessing whether there is any impairment. In case of impairment the fair value of investments is determined. Where the fair value of investments in 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 judgment is required in establishing fair values. Judgments include consideration 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:**

Revenue is recognized upon transfer of control of residential/commercial units to customers, of an amount that reflects the transaction price. Transaction price is the amount that reflects the consideration the Company expects to receive in exchange for those 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 recognizes revenue at a point in time i.e., upon giving possession 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 recognize revenue at an amount that reflects the transaction price of the transferred residential/commercial unit.

"The transaction price of goods sold or services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract."

In arrangements for sale of units the Company has applied the guidance in IND AS 115, on "Revenue from contracts with customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (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 land and development rights, 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 when the right to receive/liability to pay the same is established 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 is 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 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 Equipment | 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 and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

V. Investment property and depreciation / amortisation

- A. 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.
- B. Depreciation on Investment Property 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.
- C. Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

VI. Intangible assets and amortisation

- A. 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.
- B. The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

VII. 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 recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financials assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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. 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.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through Other Comprehensive Income (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 recognised in other comprehensive income.

Financial asset not measured at amortised cost or at fair value through OCI is carried at Fair Value Through Profit & Loss (FVTPL)..

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

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 expires, 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.

— 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

VIII. De-recognition of financial instruments

The Company de-recognizes 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.

IX. 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 cost 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.

X. 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

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 the Statement of Profit and 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.

XI. 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. Traded goods includes cost of purchases and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- F. Development rights represent amount paid under agreement to purchase land/ development rights and borrowing cost incurred by the Company to acquire irrevocable and exclusive licenses/ development rights in the identified land and constructed properties, the acquisition of which is either completed or is at an advanced stage. These are valued at lower of cost and net realisable 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.

XII. 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 are approximate fair value due to the short maturity of these instruments.

XIII. 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.

XIV. 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. The 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

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.

XV. **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 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 Statement of Profit and Loss.

XVI. **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.

XVII. **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.

XVIII. **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.

XIX. **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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

XX. 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.

XXI. 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.

XXII. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in lakhs)

| | Commercial Premises | Plant & Machinery | Computers, Laptops & Mobiles | Furniture and Fixtures | Vehicles | Office Equipment | Total |
|---|---------------------|-------------------|------------------------------|------------------------|---------------|------------------|-----------------|
| Gross Carrying Value (At Deemed Cost) | | | | | | | |
| Balance at 1st April, 2021 | — | 5.41 | 21.62 | 823.14 | 352.22 | 403.46 | 1,605.85 |
| Addition | — | — | 7.05 | — | 20.07 | 0.45 | 27.56 |
| Disposals/Discardment/Sale of Assets | — | — | (0.36) | — | — | — | (0.36) |
| Balance at 31st March, 2022 | — | 5.41 | 28.31 | 823.14 | 372.29 | 403.90 | 1,633.05 |
| Accumulated depreciation and impairment | | | | | | | |
| Balance at 1st April, 2021 | — | 5.26 | 21.20 | 743.03 | 293.77 | 383.53 | 1,446.79 |
| Depreciation Charges | — | — | 1.42 | 19.30 | 33.19 | 2.03 | 55.94 |
| Eliminated on Disposals/Discardment/Sale of Assets/ Adjustments | — | — | (0.04) | — | — | — | (0.04) |
| Balance at 31st March, 2022 | — | 5.26 | 22.59 | 762.33 | 326.96 | 385.56 | 1,502.69 |
| Net Carrying value as on 31st March, 2022 | — | 0.15 | 5.72 | 60.80 | 45.33 | 18.35 | 130.36 |
| Gross Carrying Value (At Deemed Cost) | | | | | | | |
| Balance at 1st April, 2022 | — | 5.41 | 28.31 | 823.14 | 372.29 | 403.90 | 1,633.06 |
| Addition | — | — | 5.17 | — | — | 0.52 | 5.69 |
| Disposals/Discardment/Sale of Assets | — | — | — | — | (59.79) | — | (59.79) |
| Balance at 31st March, 2023 | — | 5.41 | 33.48 | 823.14 | 312.50 | 404.42 | 1,578.94 |
| Accumulated depreciation and impairment | | | | | | | |
| Balance at 1st April, 2022 | — | 5.26 | 22.59 | 762.33 | 326.96 | 385.56 | 1,502.69 |
| Depreciation Charges | — | — | 2.36 | 16.38 | 20.19 | 2.03 | 40.96 |
| Eliminated on Disposals/Discardment/Sale of Assets/ Adjustments | — | — | — | — | (59.44) | — | (59.44) |
| Balance at 31st March, 2023 | — | 5.26 | 24.95 | 778.71 | 287.70 | 387.59 | 1,484.20 |
| Net Carrying value as on 31st March, 2023 | — | 0.15 | 8.53 | 44.43 | 24.79 | 16.84 | 94.74 |

Footnotes :

Commercial premises includes cost of shares aggregating to ₹ 0.01 lakhs (March 31, 2022: ₹ 0.01 lakhs) carrying the occupancy rights in the commercial premises.

3.1 Immovable Property

All title deeds of immovable property are in the name of the company except lease hold property.

3.2 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, 2023 (CONTD.)

NOTE 4. INVESTMENT PROPERTY

| | (₹ in lakhs) |
|---|--|
| | Completed investment properties |
| Gross Carrying Value(At Deemed Cost) | |
| Balance at 1st April, 2021 | 5,316.11 |
| Transfer from Fixed Assets | — |
| Additions | — |
| Disposals | (14.00) |
| Balance at 31st March, 2022 | 5,302.11 |
| Accumulated depreciation and impairment | |
| Balance at 1st April, 2021 | 1,706.71 |
| Transfer from Fixed Assets | — |
| Disposals | (4.19) |
| Depreciation charges | 146.40 |
| Balance at 31st March, 2022 | 1,848.91 |
| Net Carrying amount as on 31st March, 2022 | 3,453.19 |
| Gross Carrying Value (At Deemed Cost) | |
| Balance at 1st April, 2022 | 5,302.11 |
| Transfer from Fixed Assets | — |
| Additions | — |
| Disposals | — |
| Balance at 31st March, 2023 | 5,302.11 |
| Accumulated depreciation and impairment | |
| Balance at 1st April, 2022 | 1,848.91 |
| Transfer from Fixed Assets | — |
| Disposals | — |
| Depreciation charges | 147.91 |
| Balance at 31st March, 2023 | 1,996.82 |
| Net Carrying amount as on 31st March, 2023 | 3,305.29 |

Footnote :

Investment Property includes cost of shares aggregating ₹ 0.03 lakhs (March 31, 2022: ₹ 0.03 lakhs) carrying the occupancy rights.

| | 31st March, 2023 | 31st March, 2022 |
|--|------------------|------------------|
| 4.1 Amounts recognised in Statement of Profit and Loss for investment properties | | |
| Rental Income | 443.77 | 513.07 |
| Direct operating expenses from properties | — | — |
| Profit from Investment properties before depreciation | 443.77 | 513.07 |
| Depreciation | 147.91 | 146.40 |
| Profit from Investment properties | 295.86 | 366.67 |
| Rental Income from others | 13.54 | 13.07 |
| 4.2 Leasing Arrangements | | |
| Certain investment properties are leased to tenants | | |
| Minimum lease payments receivable are as follows | | |
| Within one year | 272.04 | 462.86 |
| Later than one but not later than five years | 330.15 | 639.14 |
| Later than five years | — | — |
| 4.3 Investment property pledged as security | | |
| Leasehold Land and Commercial properties with a carrying amount of ₹ 3,273.21 lakhs (As at 31st March, 2022: ₹ 3,419.34 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 | 13,400.00 | Independent Valuer's Report |
| Others | 2,729.77 | Stamp Duty Ready Reckoner Rate |

The fair value of Mahalaxmi Car Park is based on independent valuer's report dated 3rd Oct, 2022. The Company has not determined the fair value of the other properties from any independent valuer as at 31st March, 2023. Instead, the values disclosed above are based on ready reckoner rate of the said properties for the year ended 31st March, 2023 duly published by the Government of Maharashtra.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 5. INTANGIBLE ASSETS AND RIGHT TO USE ASSETS

| | (A) (₹ in lakhs) | (B) (Refer foot notes (a) to (g) (₹ in lakhs) |
|--|--------------------------|---|
| | Computer software | Lease Assets (Right to Use Asset) |
| Gross Carrying Value(At Deemed Cost) | | |
| Balance at 1st April, 2021 | 519.16 | 100.58 |
| Additions | — | 233.21 |
| Disposals | — | (100.58) |
| Balance at 31st March, 2022 | 519.16 | 233.21 |
| Accumulated depreciation and impairment | | |
| Balance at 1st April, 2021 | 519.16 | 97.58 |
| Eliminated on disposal of assets | — | (97.58) |
| Depreciation expense | — | 112.23 |
| Balance at 31st March, 2022 | 519.16 | 112.23 |
| Net carrying value as on 31st March, 2022 | — | 120.98 |
| Gross Carrying Value(At Deemed Cost) | | |
| Balance at 1st April, 2022 | 519.16 | 233.21 |
| Additions | — | 229.41 |
| Disposals | — | (233.21) |
| Balance at 31st March, 2023 | 519.16 | 229.41 |
| Accumulated depreciation and impairment | | |
| Balance at 1st April, 2022 | 519.16 | 112.23 |
| Eliminated on disposal of assets | — | (112.23) |
| Depreciation expense | — | 80.85 |
| Balance at 31st March, 2023 | 519.16 | 80.85 |
| Net carrying value as on 31st March, 2023 | — | 148.56 |

Footnotes:

- a) The weighted average incremental borrowing rate of 20% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- b) This has resulted in recognising a right-to-use asset of ₹ 229.41 lakhs and a corresponding lease liability of ₹ 229.41 lakhs.
- c) The Company's leases mainly comprise of Premises taken on lease.
- d) Excluded the initial direct costs from the measurement of the right-to-use asset at the date of initial application.
- e) The aggregate depreciation expense on right-to-use assets is included under depreciation and amortization expense in the Statement of Profit and Loss.
- f) During the year Company has recognised operating lease expenses as amortisation of Right-of-Use Assets and finance cost as compared to lease rent expenses in earlier years as per operating lease.
- g) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 6. INVESTMENTS

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| Non Current | | |
| A) Investment in equity instruments (Unquoted) (Carried at deemed cost) | | |
| I) Subsidiary Companies (Fully paid up equity shares) | | |
| a) 50,000 (As at March 31, 2022: 50,000) Equity shares of ₹ 10/- each Diviniti Projects Private Limited | 5.00 | 5.00 |
| b) 50,000 (As at March 31, 2022: 50,000) Equity shares of ₹ 10/- each Vishal Techno Commerce Limited | 5.00 | 5.00 |
| c) 37,000 (As at March 31, 2022: 37,000) Equity shares of ₹ 10/- each Gujarat Akruti - TCG Biotech Limited | 3.70 | 3.70 |
| d) 36,215 (As at March 31, 2022: 36,215) (Class 'A') Equity shares of ₹ 10/- each Ackruti Safeguard Systems Private Limited | 72.43 | 72.43 |
| e) 50,000 (As at March 31, 2022: 50,000) Equity shares of ₹ 10/- each Yantti Buildcon Private Limited | 5.00 | 5.00 |
| f) 3,00,000 (As at March 31, 2022: 3,00,000) Equity shares of ₹ 100/- each Vega Developers Private Limited | 300.00 | 300.00 |
| g) 66,482 (As at March 31, 2022: 66,482) Equity shares of ₹ 10/- each Citygold Education Research Limited | 6.65 | 6.65 |
| h) 1,24,31,045 (As at March 31, 2022: 1,24,31,045) (Class 'A') Equity shares of ₹ 10 /- each Joynest Premises Private Limited | 1,324.15 | 1,324.15 |
| i) 5,25,58,955 (As at March 31, 2022: 5,25,58,955) (Class 'C') Equity shares of ₹ 10 /- each Joynest Premises Private Limited | 5,255.90 | 5,255.90 |
| j) 7,400 (As at March 31, 2022: 7,400) Equity Shares of ₹ 10 /- each Joynest Premises Private Limited | 0.74 | 0.74 |
| k) 10,000 (As at March 31, 2022: 10,000) Equity shares of ₹ 10/- each Citywood Builders Private Limited | 1.00 | 1.00 |
| l) 50,000 (As at March 31, 2022: 50,000) Equity Shares of ₹ 10 /- each Vama Housing Limited | 5.00 | 5.00 |
| m) Nil (As at March 31, 2022: 5,100) Equity Shares of ₹ 10 /- each Sanas Developers Private Limited | — | 0.51 |
| n) 9,994 (As at March 31, 2022: 9,994) Equity Shares of ₹ 10 /- each Rubix Trading Private Limited | 0.99 | 0.99 |
| | 6,985.56 | 6,986.08 |
| Less: Provision for diminution in the value of investments | 1.00 | — |
| | 6,984.56 | 6,986.08 |
| II) Joint Ventures | | |
| a) 50,000 (As at March 31, 2022: 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, 2022: 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, 2022: 50,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Vadodara) Private Limited | 5.00 | 5.00 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 6. INVESTMENTS (Contd.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| d) 1,15,275 (As at March 31, 2022: 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, 2022: 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, 2022: 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, 2022: 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, 2022: 15,000) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Ahmedabad) Private Limited | 2,132.00 | 2,132.00 |
| i) 28,37,270 (As at March 31, 2022: 28,37,270)(Class 'A') Equity shares of ₹ 10/- each Rare Townships Private Limited | 7,345.84 | 7,345.84 |
| j) 4,25,000 (As at March 31, 2022: 4,25,000) (Class 'B') Equity shares of ₹ 10/- each Rare Townships Private Limited | 100.00 | 100.00 |
| k) 25,000 (As at March 31, 2022: 25,000) Equity shares of ₹ 100/- each Joyous Housing Limited | 25.00 | 25.00 |
| l) 1,22,000 (As at March 31, 2022: 122,000) Equity shares of ₹ 10/- each Sunstream City Private Limited | 12.20 | 12.20 |
| | 11,909.82 | 11,909.82 |
| Equity contribution by way of Interest free loans given to Joyous Housing Limited | 568.20 | 568.20 |
| | 12,478.02 | 12,478.02 |
| III) Associate Companies | | |
| a) 25,000 (As at March 31, 2022: 25,000) Equity shares of ₹ 10/- each Whitebud Developers Limited | 2.50 | 2.50 |
| b) 5,000 (As at March 31, 2022: 5,000) Equity shares of ₹ 10/- each Shubhsiddhi Builders Private Limited | 0.50 | 0.50 |
| c) 6,095 (As at March 31, 2022: 6,095) (Class 'A') Equity shares of ₹ 10/- each Vinca Developer Private Limited | — | 0.61 |
| d) 7,353 (As at March 31, 2022: 7,353)(Class 'B') Equity Shares of ₹ 10/- each Giraffe Developers Private Limited | 5,004.79 | 5,004.79 |
| e) 26,000 (As at March 31, 2022: Nil) Equity Shares of ₹ 10/- each SHK Hotels And Hospitality Private Limited | 2.60 | — |
| | 5,010.39 | 5,008.40 |
| Less: Provision for diminution in the value of investments | — | 0.61 |
| | 5,009.78 | 5,007.79 |
| IV) Others | | |
| a) Nil (As at March 31, 2022: 240)Equity shares of ₹ 100/- each Citygold Management Services Private Limited | — | 0.24 |
| b) 6,095 (As at March 31, 2022: 6,095) (Class 'A') Equity shares of ₹ 10/- each Vinca Developer Private Limited | 0.61 | — |
| c) 37,815 (As at March 31, 2022: 37,815) Equity shares of ₹ 10/- each Janakalyan Sahakari Bank Limited | 3.78 | 3.78 |
| | 4.39 | 4.02 |
| Less: Provision for diminution in the value of investments | 0.61 | — |
| | 3.78 | 4.02 |
| Total (I+II+III+IV) | 24,476.75 | 24,475.91 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 6. INVESTMENTS (Contd.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| B) Investment in Preference Shares (Unquoted) | | |
| i. At deemed cost | | |
| a) 20,000 (As at March 31, 2022: 20,000) Cumulative convertible preference shares of ₹ 100/- each Akruti Safeguard Systems Private Limited (Subsidiary) | 20.00 | 20.00 |
| ii. Others | | |
| a) 10,000 (As at March 31, 2022: 10,000) 21% Non Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each E Commerce Magnum Solution Limited | 1.00 | 1.00 |
| b) 13 (As at March 31, 2022 : 13) 10% Non Cumulative Redeemable Preference Shares of ₹ 10 /- each Citygold Education Research Limited *(Figure in bracket indicates actual amount in ₹.) | *(₹ 130) | *(₹ 130) |
| | 21.00 | 21.00 |
| C) i. Investment in Debentures (At Amortised Cost) (Unquoted) | | |
| 7,68,919 (As at March 31, 2022: 7,68,919) Non - convertible debentures of ₹ 100/- each Gujarat Akruti - TCG Biotech Limited (Subsidiary)(Refer Footnote a) | 1,668.55 | 1,668.55 |
| ii. Investment in Debentures (At Amortised Cost) (Unquoted) | | |
| 1,47,20,000 (As at March 31, 2022: 1,47,20,000) 9% Optionally convertible debentures of ₹ 10/- each Asmeeta Infratech Limited (Refer Footnote b) | 454.70 | 519.18 |
| iii. Investment in Debentures, classified as equity by the investee (At Amortised Cost) (Quoted) | | |
| 39,13,310 (As at March 31, 2022: 39,13,310) Deep Discount Bonds, issued @ ₹ 2090/- of face value ₹ 10,000 [Tenure of 9 Years] {Refer footnote (g)} Sunstream City Private Limited (Joint venture) | 97,412.85 | 97,412.85 |
| | 99,536.10 | 99,600.58 |
| Equity Contribution by way of investment in Debentures of Gujarat Akruti - TCG Biotech Limited | — | 428.33 |
| | 99,536.10 | 1,00,028.91 |
| D) Capital Investment in Partnership Firms and Joint Ventures | 700.38 | 700.38 |
| E) Non Controlling Capital Investment in Partnership Firms and Joint Ventures | — | 11,444.62 |
| | 700.38 | 12,145.00 |
| Total Non Current Investments (A+B+C+D+E) | 1,24,734.23 | 1,36,670.50 |
| Aggregate amount of quoted investments | 97,412.85 | 97,412.85 |
| Aggregate amount of unquoted investments | 27,321.38 | 39,257.65 |
| Aggregate provision for diminution in value of investments | 1.61 | 0.61 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 6. INVESTMENTS (Contd.)

Footnotes:

A) Partnership firms

Name of the Partners

i. M/s. Shreenath Realtors (Refer footnote d)

Name of the Partners

Hubtown Limited

Vakratunda Housing Private Limited

Total Capital of the firm (₹ in lakhs)

ii. M/s. Rising Glory Developers

Name of the Partners

Hubtown Limited

Citygold Education Research Limited

Diviniti Projects Private Limited

Heet Builders Private Limited

Total Capital of the firm (₹ in lakhs)

B) Joint Ventures

i M/s. Akruti GM Joint Venture

Name of the Co-Venturers

Hubtown Limited

GM Construction

Total Capital of the joint venture (₹ in lakhs)

ii. M/s. Primeria Joint Venture (Formerly known as Akruti Forefront Joint Venture) (Refer Note e)

Name of the Co-Venturers

Hubtown Limited

Forefront Property Developers Private Limited

Total Capital of the joint venture (₹ in lakhs)

iii. M/s. Jairaj Developers — Unit 9

Name of the Co-Venturers

Hubtown Limited

Shri. Jayant Hiralal Shah

Shri. Malav Jayant Shah

Total Capital of the joint venture (₹ 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, 2022: 246.52 units)

[NAV ₹ 2182.611 per unit (As at March 31, 2022 ₹ 2069.394 per unit)]

B) Capital Investment in Partnership Firms (Trade, unless otherwise specified)(Unquoted)

Non - Convertible Debentures (At Amortised Cost) (Unquoted) (Refer Footnote a)

Total Current Investments (A+B)

Aggregate amount of quoted investments

Aggregate amount of unquoted investments

| | 31st Mar, 2023 | 31st March, 2022 |
|--|-----------------|------------------|
| | 92.50 | 92.50 |
| | 7.50 | 7.50 |
| | 2,120.54 | 2,120.54 |
| | | |
| | 25.00 | 25.00 |
| | 25.00 | 25.00 |
| | 25.00 | 25.00 |
| | 25.00 | 25.00 |
| | 1.50 | 1.50 |
| | | |
| | 50.00 | 50.00 |
| | 50.00 | 50.00 |
| | 910.00 | 910.00 |
| | | |
| | 16.00 | 16.00 |
| | 84.00 | 84.00 |
| | 10.00 | 10.00 |
| | | |
| | — | 38.00 |
| | 50.00 | 31.00 |
| | 50.00 | 31.00 |
| | 100.00 | 100.00 |
| | | |
| | 5.38 | 5.10 |
| | 5.38 | 5.10 |
| | 1,195.30 | 1,195.30 |
| | 1,195.30 | 1,195.30 |
| | 1,200.68 | 1,200.40 |
| | 5.38 | 5.10 |
| | 1,195.30 | 1,195.30 |

Footnotes:

- a. Due to the continued liquidity crunch being faced by Gujarat Akruti TCG Biotech Limited (GATCGBL), a subsidiary of the Company, the tenure of the Compulsorily Convertible Debentures and Non-Convertible Debentures issued by GATCGBL was extended by a further period of 1 (one) year upto March 30, 2024, the other terms and conditions of issue thereof remaining unchanged.
- b. During the year, the Company has received an amount of ₹ 64.48 lakhs (As at 31st March, 2022 : ₹124.28 lakhs) toward its investment in debentures redeemed out of the sale proceeds of the security against debentures.
- c. The Company has not received financials of Joyous Housing Limited (JV) for the Financial Year 2022-23. However, in the opinion of the management, share of Profit/(Loss) of the JV will not have any material impact on the financial results of the Company.
- d. In earlier years, the Company had written off the capital amount given for project development amounting to ₹ 775 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.
- e. The company had invested an amount of ₹ 1.60 lakhs in the capital of Primeria JV, which had been written off in the earlier years. However, the JV has not been dissolved as on date.
- f. The Company has investments in certain subsidiaries, jointly controlled entities and associates and loans and advances outstanding as at March 31, 2023. While some of 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.
- g. In respect of investment made by the parent company in deep discount bonds amounting to ₹ 97,412.85 lakhs in a Joint venture with negative net worth, the management of both parties have mutually agreed that Hubtown Limited shall not charge/ claim any interest on the outstanding amount of ₹ 97,412.85 lakhs till such time the company receives commencement certificate for development of the project.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| NOTE 7. LOANS | | |
| Non-current | | |
| (Unsecured, considered good) | | |
| Loan to related parties (Refer Note 34) | 860.84 | 756.42 |
| Total | 860.84 | 756.42 |
| Current | | |
| (Unsecured, considered good) | | |
| — Loan to related parties (Refer Note 34 and footnote (a) to note 35) | 2,327.81 | 2,293.55 |
| — Loans to others | 37.07 | 494.96 |
| — Loans to Employees | 7.81 | 11.50 |
| Total | 2,372.69 | 2,800.01 |

— **Loans (Repayable on demand / Without specifying any terms or period of repayment):**

(₹ in lakhs)

| Type of Borrower | As at 31st March, 2023 | | As at 31st March, 2022 | |
|------------------|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
| Promoters | — | — | — | — |
| Directors | — | — | — | — |
| KMPs | — | — | — | — |
| Related Parties | 3,188.65 | 98.61% | 3,049.97 | 85.76% |
| Total | 3,188.65 | 98.61% | 3,049.97 | 85.76% |

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| NOTE 8. TRADE RECEIVABLES | | |
| Non-current | | |
| (Unsecured, considered good) | | |
| Trade Receivables | — | — |
| Total | — | — |
| Current | | |
| (Unsecured, considered good) | | |
| (a) Undisputed Trade receivables — considered good | | |
| — Related Parties (Refer Note 34) | 2,844.00 | 2,691.40 |
| — Others | 16,144.25 | 20,423.65 |
| (b) Trade receivable which have significant increase in credit risk | — | — |
| (c) Trade receivable (credit impaired) | 1,946.21 | 1,876.71 |
| Less: Allowance for doubtful debts | (1,946.21) | (1,876.71) |
| Total | 18,988.25 | 23,115.05 |

Footnotes:

- 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

Note 8.1 Trade Receivable

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|--|--|------------------------|----------------------|------------------------|------------------------|------------------------|---------------------------------|
| | Not Due | Less than 6 months | 6 months to 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 510.16 (1,056.14) | 1,733.55 (2,266.76) | 510.64 (1,460.61) | 1,494.67 (9,366.30) | 8,657.38 (2,682.40) | 6,081.85 (6,282.84) | 18,988.25 (23,115.05) |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | — — | — — | — — | — — | — — | — — | — — |
| (iii) Undisputed Trade Receivables – credit impaired | — — | — — | 3.28 (339.12) | 359.74 (358.11) | 354.21 — | 1,228.98 (1,179.48) | 1,946.21 (1,876.71) |
| (iv) Disputed Trade Receivables– considered good | — — | — — | — — | — — | — — | — — | — — |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | — — | — — | — — | — — | — — | — — | — — |
| (vi) Disputed Trade Receivables – credit impaired | — — | — — | — — | — — | — — | — — | — — |
| | 510.16 (1,056.14) | 1,733.55 (2,266.76) | 513.92 (1,799.73) | 1,854.41 (9,724.41) | 9,011.58 (2,682.40) | 7,310.84 (7,462.32) | 20,934.46 (24,991.75) |
| Less : Provisions | | | | | | | 1,946.21 (1,876.71) |
| Total Trade Receivables | | | | | | | 18,988.25 (23,115.05) |

Footnotes:

Previous year figures are given in brackets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| NOTE 9. OTHER FINANCIAL ASSETS | | |
| Non-current | | |
| (Unsecured, considered good) | | |
| — Deposits with maturity of more than twelve months | 180.16 | 0.16 |
| — Margin money deposits | 499.17 | 372.40 |
| Security deposits | 88.85 | 87.48 |
| Interest accrued on fixed deposits | 4.30 | 1.46 |
| Total | 772.48 | 461.50 |
| Footnote: | | |
| Balances with Banks in margin money and fixed deposits are kept as security for guarantees / other facilities. | | |
| Current | | |
| (Unsecured, considered good) | | |
| Security deposits | 511.22 | 211.22 |
| Project Advances (Refer Footnotes a) | | |
| — Related parties (Refer Note 34 and Footnotes (f) of Note 6) | 37,442.57 | 29,976.69 |
| Doubtful | 164.08 | — |
| Less: Provision for doubtful Project Advances | (164.08) | — |
| Other Advances | | |
| Current Account Balances in Partnership Firms and Joint Ventures (Refer Note 34) | 4,811.94 | 7,091.44 |
| Advances recoverable | | |
| — Related parties (Refer Note 34) | 2,452.86 | 2,526.37 |
| Doubtful | — | — |
| — Others | 9,718.45 | 13,616.80 |
| Doubtful | 1,077.25 | 1,123.25 |
| Less: Provision for doubtful Advances recoverable | (1,077.25) | (1,123.25) |
| Other receivables | | |
| — Other than Trade Receivables | 17,574.06 | 18,072.18 |
| Doubtful | — | — |
| — Interest accrued on fixed deposits | 7.31 | 13.16 |
| — Interest accrued on investments | — | 108.37 |
| — Interest accrued on loan — Related Party (Refer Note 34) | 46.01 | 46.01 |
| Total | 72,564.42 | 71,662.24 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 9. OTHER FINANCIAL ASSETS (Contd.)

— **Project Advances (Repayable on demand / Without specifying any terms or period of repayment) :**

(₹ in lakhs)

| Type of Borrower | As at 31st March, 2023 | | As at 31st March, 2022 | |
|------------------------------------|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
| Promoters | — | — | — | — |
| Directors | — | — | — | — |
| KMPs | — | — | — | — |
| Related Parties (Project Advances) | 37,442.57 | 100% | 29,976.69 | 100% |
| Total | 37,442.57 | | 29,976.69 | |

— **Current Account Balances in Partnership Firms and Joint Ventures (Repayable on demand / Without specifying any terms or period of repayment) :**

(₹ in lakhs)

| Type of Borrower | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
| Promoters | — | — | — | — |
| Directors | — | — | — | — |
| KMPs | — | — | — | — |
| Related Parties (Current Account Balances in Partnership Firms and Joint Ventures) | 4,811.94 | 100% | 7,091.44 | 100% |
| Total | 4,811.94 | | 7,091.44 | |

— **Advances recoverable (Repayable on demand / Without specifying any terms or period of repayment) :**

(₹ in lakhs)

| Type of Borrower | As at 31st March, 2023 | | As at 31st March, 2022 | |
|--|---|---|---|---|
| | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
| Promoters | — | — | — | — |
| Directors | — | — | — | — |
| KMPs | — | — | — | — |
| Related Parties (Other Advances recoverable) | 2,452.86 | 100% | 2,526.37 | 100% |
| Total | 2,452.86 | | 2,526.37 | |

Footnotes:

- a. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) | |
|--|---|---|------------------------|
| NOTE 10. DEFERRED TAX BALANCES (NET) | | | |
| The following is the analysis of deferred tax asset / (liabilities) presented in the Balance Sheet | | | |
| Deferred Tax Asset | 17,264.26 | 15,345.58 | |
| Deferred Tax Liability | (12,437.08) | (13,707.26) | |
| Total | 4,827.18 | 1,638.31 | |
| | Opening Balance | Recognised in profit or loss | Closing Balance |
| 2022-23 | | | |
| Deferred tax assets / (liabilities) in relation to: | | | |
| Depreciation | (160.08) | 0.91 | (159.18) |
| On account of Interest Free Long Term Loans Given | 76.01 | (15.50) | 60.51 |
| On account of Equity Contribution towards Loans and Advances | (143.00) | 0.00 | (143.00) |
| Difference in advance lease rent | (3.24) | 2.27 | (0.97) |
| Difference in security deposit | 3.65 | (2.33) | 1.32 |
| Difference in Revenue Recognition | 11,658.44 | (1,516.10) | 10,142.35 |
| Difference in WIP | (12,494.28) | 880.71 | (11,613.57) |
| On account of Lease Assets (Right to use (IND AS 116)) | (30.45) | (6.94) | (37.39) |
| Difference in advance lease rent | 8.62 | (3.41) | 5.22 |
| Difference in security deposit | (9.88) | 5.38 | (4.49) |
| On account of Interest Free Long Term Borrowings | (866.09) | 387.92 | (478.17) |
| On account of Advance Finance Income | 997.49 | (343.96) | 653.53 |
| On account of Lease Liability (IND AS 116) | 34.85 | 6.23 | 41.08 |
| On account of Investment in Mutual Fund | (0.24) | (0.07) | (0.31) |
| Others | 2,566.51 | 3,793.75 | 6,360.25 |
| | 1,638.31 | 3,188.86 | 4,827.17 |
| 2021-22 | | | |
| Deferred tax assets / (liabilities) in relation to: | | | |
| Depreciation | (151.74) | (8.34) | (160.08) |
| On account of Interest Free Long Term Loans Given | 89.64 | (13.63) | 76.01 |
| On account of Equity Contribution towards Loans and Advances | (143.00) | (0.00) | (143.00) |
| Temporary difference in relation to investments in Joint Venture | (0.21) | 0.21 | — |
| Difference in advance lease rent | (0.43) | (2.81) | (3.24) |
| Difference in security deposit | 0.17 | 3.47 | 3.65 |
| Difference in Revenue Recognition | 5,371.97 | 6,286.47 | 11,658.44 |
| Difference in WIP | (4,772.60) | (7,721.68) | (12,494.28) |
| On account of Lease Assets (Right to use (IND AS 116)) | (0.77) | (29.68) | (30.45) |
| On account of Investment in Debentures | (163.53) | 163.53 | — |
| Difference in advance lease rent | 9.48 | (0.86) | 8.62 |
| Difference in security deposit | (12.39) | 2.52 | (9.88) |
| On account of Interest Free Long Term Borrowings | (1,341.45) | 475.36 | (866.09) |
| On account of Advance Finance Income | 1,341.45 | (343.96) | 997.49 |
| On account of Lease Liability (IND AS 116) | 2.44 | 32.42 | 34.85 |
| On account of Investment in Mutual Fund | — | (0.24) | (0.24) |
| Provisions | 842.47 | (842.47) | — |
| Others | 987.58 | 1,578.93 | 2,566.51 |
| | 2,059.08 | (420.77) | 1,638.31 |

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, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| NOTE 11. OTHER ASSETS | | |
| Non-current | | |
| Advances to land owners (Unsecured, considered good) | 358.17 | 357.95 |
| Prepaid Expenses | 11.78 | 5.07 |
| Total | 369.95 | 363.02 |
| Current | | |
| Advances to Suppliers | 1,566.75 | (198.71) |
| Advances to land owners (Unsecured, considered good) | 186.81 | 1,656.44 |
| Other Advances | | |
| Prepaid Expenses | 49.41 | 32.82 |
| Others | 1,137.67 | 1,285.69 |
| Total | 2,940.64 | 2,776.24 |
| NOTE 12. INVENTORIES | | |
| Inventories (lower of cost or net realisable value) | | |
| Stock of material at site | 73.35 | 57.41 |
| Incomplete projects | 89,934.59 | 99,734.69 |
| Floor space index (FSI) | 10,672.52 | 8,875.17 |
| Transferable Development Rights (TDR) | 2,184.01 | 5,984.64 |
| Trading Material | 1.42 | 19.25 |
| Finished Properties | 13,324.74 | 7,402.59 |
| Total | 1,16,190.63 | 1,22,073.74 |

Footnotes :

- The projects are under various stages of development and are expected to have net realisable value greater than the cost. Inventories include inventory valued at net realisable value of ₹ 9722.30 lakhs (As at 31st Mar 2022 : 14773.31 lakhs)
- Inventories include inventory with carrying value of ₹ 31,353.33 lakhs (As at 31st March, 2022 : ₹ 37,447.89 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.
- Inventories includes commercial premises held for sale of value ₹ 292.09 lakhs (As at 31st March, 2022 : ₹ 292.09 lakhs).

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| NOTE 13. CASH AND CASH EQUIVALENTS | | |
| Balances with banks: | | |
| — in current accounts | 1,289.51 | 1,611.09 |
| — in deposits with maturity of less than three months | 121.63 | 61.95 |
| Cash on hand | 16.73 | 20.06 |
| Cash and cash equivalents as per Balance Sheet | 1,427.87 | 1,693.10 |
| Working Capital Loan from Bank (Refer Note 18) | (2,780.89) | (2,318.98) |
| Cash and cash equivalents as per Statement of Cash Flows | (1,353.02) | (625.88) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 14. OTHER BANK BALANCES

Deposits with maturity of more than three months but less than twelve months
Margin money deposits

Total

| As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|
| 94.38 | 168.69 |
| 30.29 | 295.97 |
| 124.67 | 464.66 |

Footnote:

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

NOTE 15. INCOME TAX ASSETS (NET)

Income tax assets
Income tax liabilities
Income tax provision

Total

| As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|
| 2,415.24 | 2,115.74 |
| (1,176.04) | (1,176.04) |
| — | — |
| 1,239.20 | 939.71 |

Income Tax expense

(a) Income Tax expense

Current Tax
Tax in respect of earlier years

Deferred Tax expense /(Credit)

Income Tax expense / (credit)

(b) Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate

Profit / (Loss) for the Year
Applicable Rate of Tax
Income tax expense calculated at 25.168% (P.Y. : 25.168%)
Tax effects of amounts that are not deductible (taxable) in calculating taxable income:
Effect of expenses that are not deductible in determining taxable profit
Effect of short / excess provision of tax
Effect of expenses that are deductible in determining taxable profit due to timing difference
Effect of income that is exempt from taxation
Effect of Carried Forward / Brought Forward Business Loss adjusted
Effect of incomes that are taxable in determining taxable profit as per ICDS
Effect on deferred tax due to timing difference (Refer Note 10)

Income tax expense

| | |
|-------------------|-------------|
| — | — |
| — | — |
| — | — |
| (3,188.86) | 420.77 |
| (3,188.86) | 420.77 |
| (2,108.03) | (11,668.08) |
| 0.25 | 0.25 |
| (530.55) | (2,936.62) |
| 375.04 | 115.14 |
| — | (82.06) |
| (97.63) | (139.05) |
| (0.58) | 0.47 |
| 751.71 | 3,698.11 |
| (497.99) | (656.00) |
| (3,188.86) | 420.77 |
| (3,188.86) | 420.77 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 16. EQUITY SHARE CAPITAL

Authorised Share Capital:

125,000,000 (As at 31st March, 2022: 125,000,000) Equity Shares of ₹ 10/- each

Issued and subscribed capital comprises:

76,335,871 (As at 31st March, 2022: 72,735,871) Equity Shares of ₹ 10/- each fully paid up

| As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|
| 12,500.00 | 12,500.00 |
| 7,633.59 | 7,273.59 |
| <u>7,633.59</u> | <u>7,273.59</u> |

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

Fully paid equity shares

Balance at 1st April, 2021

Add : Issued during the year

Less : Bought back during the year

Balance at 31st March, 2022

Add : Issued during the year

Less : Bought back during the year

Balance at 31st March, 2023

| Number of Shares | Share Capital (₹ in lakhs) |
|---------------------|-------------------------------|
| 7,27,35,871 | 7,273.59 |
| — | — |
| — | — |
| <u>7,27,35,871</u> | <u>7,273.59</u> |
| 36,00,000 | 360.00 |
| — | — |
| <u>7,63,35,871</u> | <u>7,633.59</u> |

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. Dividend, as and when declared by the company is paid 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 :

| Name of the Shareholders | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---------------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | 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 | 51,81,349 | 6.79% | 55,65,000 | 7.65% |
| Kushal Hemant Shah | 39,43,739 | 5.17% | 40,63,739 | 5.59% |
| Vyomesh Mahipatray Shah (HUF) | 39,25,000 | 5.14% | 39,25,000 | 5.40% |
| Hemant Mahipatray Shah (HUF) | 37,00,050 | 4.85% | 37,00,050 | 5.09% |
| Hemant Mahipatray Shah | 36,70,000 | 4.81% | 36,70,000 | 5.05% |
| Khilen V Shah | 29,00,560 | 3.80% | 29,00,560 | 3.99% |
| Kunjil Hemant Shah | 27,30,931 | 3.58% | 27,30,931 | 3.75% |
| Rushank V Shah | 18,00,184 | 2.36% | 18,00,184 | 2.47% |
| Meha Rushank Shah | 18,00,000 | 2.36% | — | — |
| Pratiti Mayank Shah | 18,00,000 | 2.36% | — | — |
| Mahipatray V Shah (HUF) | 17,20,000 | 2.25% | 17,20,000 | 2.36% |
| Falguni Vyomesh Shah | 6,89,772 | 0.90% | 10,39,772 | 1.43% |
| High Scale Trading Private Limited | 3,00,000 | 0.39% | — | — |
| Ukay Valves And Founders Pvt. Ltd. | 3,00,000 | 0.39% | 3,00,000 | 0.41% |
| Vishwajeet Consultancy Pvt. Ltd. | — | — | 3,00,000 | 0.41% |
| Mahipatray V Shah discretionary trust | 1,90,000 | 0.25% | 1,90,000 | 0.26% |

d) No shares have been issued for consideration other than cash during the period of last five years

e) Details of shares held by each Promoter:

| Name of the Shareholders | As at 31st March, 2023 | | As at 31st March, 2022 | | Changes in shareholding (%) |
|---------------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|-----------------------------|
| | 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 | 51,81,349 | 6.79% | 55,65,000 | 7.65% | (0.86%) |
| Kushal Hemant Shah | 39,43,739 | 5.17% | 40,63,739 | 5.59% | (0.42%) |
| Vyomesh Mahipatray Shah (HUF) | 39,25,000 | 5.14% | 39,25,000 | 5.40% | (0.25%) |
| Hemant Mahipatray Shah (HUF) | 37,00,050 | 4.85% | 37,00,050 | 5.09% | (0.24%) |
| Hemant Mahipatray Shah | 36,70,000 | 4.81% | 36,70,000 | 5.05% | (0.24%) |
| Khilen V Shah | 29,00,560 | 3.80% | 29,00,560 | 3.99% | (0.19%) |
| Kunjil Hemant Shah | 27,30,931 | 3.58% | 27,30,931 | 3.75% | (0.18%) |
| Rushank V Shah | 18,00,184 | 2.36% | 18,00,184 | 2.47% | (0.12%) |
| Meha Rushank Shah | 18,00,000 | 2.36% | — | — | 2.36% |
| Pratiti Mayank Shah | 18,00,000 | 2.36% | — | — | 2.36% |
| Mahipatray V Shah (HUF) | 17,20,000 | 2.25% | 17,20,000 | 2.36% | (0.11%) |
| Falguni Vyomesh Shah | 6,89,772 | 0.90% | 10,39,772 | 1.43% | (0.53%) |
| High Scale Trading Private Limited | 3,00,000 | 0.39% | — | — | 0.39% |
| Ukay Valves And Founders Pvt. Ltd. | 3,00,000 | 0.39% | 3,00,000 | 0.41% | (0.02%) |
| Vishwajeet Consultancy Pvt. Ltd. | — | — | 3,00,000 | 0.41% | (0.02%) |
| Mahipatray V Shah discretionary trust | 1,90,000 | 0.25% | 1,90,000 | 0.26% | (0.01%) |

Footnote:

Out of the total shares held by promoters (holding more than 5 %) 1,18,25,000 number of shares (As at 31st March, 2022: 2,00,68,000) are pledged against loan availed by the company as at 31st March, 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| NOTE 17. OTHER EQUITY | | |
| Securities premium reserve | | |
| Balance at the beginning of the year | 60,716.12 | 60,716.12 |
| Add / (Less) : | | |
| Appropriations | — | — |
| Securities premium on account of issue of shares | 1,692.00 | |
| Balance at the end of the year | 62,408.12 | 60,716.12 |
| The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013. | | |
| General reserve | | |
| Balance at the beginning of the year | 32,995.00 | 32,995.00 |
| Balance at the end of the year | 32,995.00 | 32,995.00 |
| 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. | | |
| Share Warrants | | |
| Balance at the beginning of the year | — | — |
| Add / (Less) : | | |
| Issue of share warrants | 2,592.00 | — |
| Amount transferred to equity share capital on conversion of share warrants | (360.00) | — |
| Amount transferred to securities premium on conversion of share warrants | (1,692.00) | — |
| Amount transferred to general reserve | — | — |
| Balance at the end of the year | 540.00 | — |
| Retained Earnings | | |
| Balance at the beginning of the year | 39,155.33 | 50,839.02 |
| Profit /(Loss) attributable to the owners of the company | 1,080.83 | (12,088.85) |
| Items of OCI recognised directly in retained earnings | (72.50) | 405.16 |
| Balance at the end of the year | 40,163.66 | 39,155.33 |
| Total | 1,36,106.78 | 1,32,866.45 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 18. BORROWINGS

Non-current Secured

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| (i) Term Loans | | |
| — From Banks [Refer footnotes a and d (i)] | — | — |
| — From a Company (Refer footnotes b) | 4,894.21 | 5,535.80 |
| — From financial institutions | 11,093.10 | 14,057.00 |
| | 15,987.31 | 19,592.80 |
| (ii) Other Loans | | |
| Less: Transferred to Current Maturities | | |
| Long Term Loans from Banks | | |
| Long Term Loans from a Company | (4,684.39) | (4,591.39) |
| Long Term Loans from Financial Institutions | (11,093.10) | (13,566.32) |
| | (15,777.49) | (18,157.71) |
| Total | 209.82 | 1,435.09 |

Footnotes :

- a. Secured term loans from banks carry interest rates within a range of 7.20 % to 17.50 %. The said loans are overdue and disclosed in Other financial liabilities—Current. 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 Punjab National Bank | 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 31.03.2017 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 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. Details of repayment of long term borrowings are as follows:

| Particulars | * Up to 1 year | 2-5 Years | Above 5 years | (₹ in lakhs) |
|---|------------------|---------------|---------------|------------------|
| Term loans from Banks | 10,235.22 | — | — | 10,235.22 |
| Term loans from Company \$ | 4,684.39 | 209.82 | — | 4,894.21 |
| Term loan from Financial Institutions # | 11,093.10 | — | — | 11,093.10 |
| | 26,012.71 | 209.82 | — | 26,222.53 |

* — Including overdue amounts

\$ — Measured at fair value

— Measured at amortised cost (net of transaction cost)

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

| Particulars | 31 March, 2023 | | 31 March, 2022 | |
|---------------------------|------------------|--------------------|------------------|--------------------|
| | (₹ in lakhs) | Period | (₹ in lakhs) | Period |
| (i) Term loans from Banks | | | | |
| Overdue installments | 7,717.45 | Before Apr 17 | 7,717.45 | Before Apr 17 |
| Overdue installments | 2,517.77 | Before Apr 20 | 2,808.74 | Before Apr 20 |
| Interest | 1,453.67 | Before Apr 17 | 2,161.44 | Before Apr 17 |
| Interest | 1,735.42 | April 19 to Mar 20 | 1,735.42 | April 19 to Mar 20 |
| Interest | 1,557.95 | April 20 to Mar 21 | 1,557.95 | April 20 to Mar 21 |
| Interest | 1,600.49 | April 21 to Mar 22 | 1,600.49 | April 21 to Mar 22 |
| Interest | 1,651.38 | April 22 to Mar 23 | — | — |
| Total | 18,234.13 | | 17,581.49 | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 18. (Contd.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| Current | | |
| Secured | | |
| (i) Working Capital Loan / Cash credit from Banks (Refer Footnote a, e and Note 13) | 2,780.89 | 2,318.98 |
| (ii) Loans from Financial Institutions (Refer Footnote e) | — | 1,073.97 |
| (iii) Loans repayable on demand: | | |
| From Companies (Refer Footnotes b and c) | 4,538.77 | 4,733.20 |
| Current maturities and overdue installments of long-term debts | 15,777.49 | 18,157.71 |
| | 23,097.15 | 26,283.86 |
| Unsecured | | |
| (i) Loans repayable on demand: | | |
| — From Companies (Refer Footnote d) | 17,234.60 | 17,301.55 |
| — Loan from Others (Refer Footnote f) | 168.58 | 42.88 |
| | 17,403.18 | 17,344.43 |
| Total | 40,500.33 | 43,628.29 |

Footnotes :

- a. Working capital loan from bank carries interest rate of 19.50% (31st March, 2022: 19.30%). 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.
- b. Secured loans from the companies carry interest rate of 15.00% and is repayable on demand. However, loan from a company amounting to ₹ 2757.37 lakhs (As at 31st March, 2022: ₹ 2837.50 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.
- c. Secured loan of Dena Bank has become NPA and has assigned the loan amount including interest thereon amounting to ₹ 2,100 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 finalisation of terms of loan is under process.
- d. Unsecured loans from companies and others carry interest rates within a range of 14% to 27% and are repayable on demand. (Refer footnote a to Note 29)
- e. Period and amount of default as on Balance Sheet date in repayment of term loans and interest :

| Particulars | 31st March, 2023 | | 31st March, 2022 | |
|--|------------------|------------------|------------------|------------------|
| | (₹ in lakhs) | Period | (₹ in lakhs) | Period |
| Loans from Banks | | | | |
| Overdue installments | 1,269.98 | Apr 18 to Mar 23 | 1,269.98 | Apr 18 to Mar 22 |
| Interest | 1,510.91 | Apr 18 to Mar 23 | 1,049.00 | Apr 18 to Mar 22 |
| | 2,780.89 | | 2,318.98 | |
| Loans from Financial Institutions | | | | |
| Overdue installments | — | Feb 19 to Mar 23 | 1,073.97 | Feb 19 to Mar 22 |
| | — | — | 1,073.97 | |

- f. Loan from others include certain deposits inherited by the company in earlier years due to merger of its erstwhile partnership firms Akruiti Jay Developer and Akruiti Kailash Constructions with the company. The Management is of the opinion that since these deposits were not received directly by the Company, they do not attract any of the provisions relating to the Companies (Acceptance of Deposits) Rules 2014 as amended. The Company is in the process of repaying the same.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|-----------------------------------|---|---|
| NOTE 19. LEASE LIABILITIES | | |
| Non-current | | |
| Lease Liability (IND AS 116) | 137.60 | 118.15 |
| Total | 137.60 | 118.15 |
| Current | | |
| Lease Liability (IND AS 116) | 25.63 | 20.05 |
| Total | 25.63 | 20.05 |
| NOTE 20. TRADE PAYABLES | | |
| Dues to MSME | 1,038.43 | 833.85 |
| Dues to others | 10,693.31 | 12,769.19 |
| Total | 11,731.74 | 13,603.04 |

Footnotes:

- a. The average credit period on purchases is 3 to 6 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 ₹ 1038.43 Lakhs (As at 31st March 2022 : ₹ 833.85 Lakhs) are payable to such vendors at the Balance Sheet date. The interest on overdue amount has not been provided/paid since the differences in supplier account balances is under reconciliation..

NOTE 20.1. TRADE PAYABLES

Trade payables ageing schedule for the year ended as on March 31, 2023 and March 31, 2022

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--------------------------|--|----------------------|------------------------|----------------------|------------------------|--------------------------|
| | Not Due | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| Outstanding dues to MSME | 111.61 (158.90) | 415.79 (286.20) | 91.17 (59.85) | 35.96 (199.24) | 495.51 (288.56) | 1,150.03 (992.75) |
| Others | 1,423.07 (1,018.06) | 1,142.72 (767.11) | 1,099.88 (4,015.58) | 2,748.58 (620.50) | 4,167.46 (6,189.04) | 10,581.70 (12,610.29) |
| Total Trade Payables | | | | | | 11,731.74 (13,603.04) |

Footnotes:

Previous year figures are given in brackets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 21. OTHER FINANCIAL LIABILITIES

Non-current

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| Retention money payable (Refer Footnote b) | 720.93 | 537.64 |
| Lease deposits from tenants | 27.79 | (0.51) |
| Advance Lease Rentals | (11.90) | (0.29) |
| Advance Finance Income (Refer Footnote (b) to Note 18 Non Current Borrowings) | 1,229.99 | 2,596.30 |
| Total | 1,966.81 | 3,133.14 |

Current

| | | |
|--|------------------|------------------|
| Interest accrued and due on borrowings | 15,662.99 | 16,383.32 |
| Interest accrued but not due on borrowings | 35.03 | 27.19 |
| Retention money payable | 42.42 | 608.29 |
| Overdue Term Loan from Banks (Refer Footnotes a and d (i) to note 18 Non-Current Borrowings) | 10,235.22 | 10,526.19 |
| Unclaimed/unpaid dividends | 0.01 | 0.01 |
| Current account balance in firms and joint ventures (Refer Note 34) | 82.06 | 1,025.40 |
| Security deposits (Refundable) | 4,885.15 | 4,298.76 |
| Lease deposits from tenants | 118.89 | 88.01 |
| Advance Lease Rentals | 32.63 | 34.56 |
| Advance Finance Income (Refer Footnote (b) to Note 18 Non Current Borrowings) | 1,366.66 | 1,366.66 |
| Other payables [Refer Footnotes (a), (c) and (d)] | 64,276.39 | 64,806.11 |
| Total | 96,737.45 | 99,164.50 |

- Other payable include ₹ 1,795.68 lakhs (As at 31st March, 2022: ₹2,820.31 lakhs) due to related parties. Further, attention is invited to Note 34.
- Retention Money liability to the contractors which are not due for payment as at 31st March, 2023 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 and hence retention liability has not been discounted as on 31st March, 2023.
- Other Payable includes an amount of ₹ 48,171.95 (As at 31st March, 2022: ₹ 48,171.95 lakhs) due to Ashok Commercial Enterprises. The party has instituted commercial summary Suit No. 1532 of 2018 in the High Court of Judicature at Bombay against the Company. The Company has filed its response/defence to the same before the Honorable High court.
- Other Payable includes ₹ 1,448.47 lakhs (As at 31st March, 2022: ₹ 1,448,47 lakhs) being the Bank Overdraft facilities utilised by joint ventures — Hubtown Bus Terminal (Adajan) Private Limited and Hubtown Bus Terminal (Mehsana) Private Limited.

NOTE 22. PROVISIONS

Non-current

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| Employee Benefits | | |
| Provision for Gratuity (Refer Note 33 and Footnote) | 7.39 | 6.32 |
| Provision for leave benefit | 62.28 | 158.72 |
| Total | 69.67 | 165.04 |

Current

| | | |
|---|---------------|---------------|
| Employee Benefits | | |
| Provision for Gratuity (Refer Note 33 and Footnote) | 171.34 | 150.50 |
| Provision for leave benefit | 51.86 | 61.58 |
| Total | 223.20 | 212.08 |

Footnote:

Provision for gratuity is stated net of plan assets ₹ 7.39 lakhs (As at 31st March, 2022 : ₹ 6.32 lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| NOTE 23. OTHER LIABILITIES | | |
| Current | | |
| Advance from customers (Refer Footnote) | 54,793.83 | 66,232.40 |
| Overdrawn bank balances as per books of account | 133.98 | 133.33 |
| Other payables : | | |
| Statutory dues | 1,542.87 | 1,576.50 |
| Employees benefit payables | 73.25 | 514.31 |
| Others | 275.77 | 243.47 |
| Total | 56,819.70 | 68,700.01 |

Footnote:

Advance received (advance from customers) includes ₹ 4179.65 lakhs (As at 31st March, 2022: ₹ 4054.65 lakhs) received from related parties. Further, attention is invited to Note 34..

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| NOTE 24. REVENUE FROM OPERATIONS | | |
| Sale from operations : | | |
| Sale of properties / rights (Net) (Refer footnotes (a) and (b)) | 18,408.38 | 16,406.34 |
| Project Management Consultancy Service | 1,309.00 | 143.03 |
| Revenue from sale of Trading Materials | 128.03 | 245.53 |
| | 19,845.40 | 16,794.89 |
| Other operating revenue : | | |
| Income on investments in subsidiaries, Joint ventures, etc. developing real estate projects | — | 230.02 |
| Unwinding of Interest free loans | 61.60 | 54.15 |
| Lease rentals | 457.30 | 526.14 |
| Income on account of advances written off in earlier years. | — | 500.00 |
| Sundry credit balances appropriated | 1,328.99 | 61.73 |
| Provision no longer required | 163.81 | — |
| Others | 46.16 | 115.27 |
| | 2,057.86 | 1,487.30 |
| Total | 21,903.26 | 18,282.20 |

Footnotes:

- Sale of Properties/Rights/Services includes ₹ 21.99 lakhs (As at 31st March 2022 : ₹ 17.66 lakhs) to related parties. Further attention is invited to Note 34.
- Revenue from sale of properties does not include possession letter issued but possession not taken by the customers, amounting to ₹ Nil (As at 31st March 2022 : ₹ 1404.56 lakhs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| NOTE 25 OTHER INCOME | | |
| Interest Income: | | |
| Loans | 57.40 | 51.54 |
| Bank fixed deposits | 47.60 | 60.33 |
| Provision no longer required | — | 4,731.30 |
| Interest income on financial liabilities measured at fair value [Refer Footnote (b) to Note 18 Non Current Borrowings] | 1,376.39 | 1,376.83 |
| Others | 71.71 | 4.77 |
| | 1,553.10 | 6,224.77 |
| Others gain and losses | | |
| Surplus on sale / discardment of fixed assets (Net) | 3.60 | 25.62 |
| Gain on Fair Valuation of Investments in Mutual Funds | 0.28 | 0.16 |
| | 3.88 | 25.78 |
| Miscellaneous income | 25.33 | 192.45 |
| Total | 1,582.31 | 6,443.00 |
| NOTE 26. COSTS OF CONSTRUCTION / DEVELOPMENT | | |
| Construction costs incurred during the year: | | |
| Land / rights acquired | 2,077.02 | 3,401.39 |
| Material and labour costs | 5,881.64 | 5,401.06 |
| Approval and consultation expenses | 582.58 | 4,666.93 |
| Other direct development expenses | 127.53 | 10.24 |
| Total | 8,668.77 | 13,479.63 |
| NOTE 27. CHANGES IN INVENTORIES OF FINISHED PROPERTIES, STOCK-IN-TRADE, INCOMPLETE PROJECTS AND FSI | | |
| Opening Inventory : | | |
| Floor Space Index (FSI) | 8,875.17 | 8,976.27 |
| Incomplete projects | 99,734.69 | 1,01,371.63 |
| TDR (Traded) | 5,984.64 | 1,484.60 |
| Trading Material | 19.25 | 33.71 |
| Finished Properties | 7,110.49 | 10,149.96 |
| | 1,21,724.24 | 1,22,016.17 |
| Add / (Less): | | |
| Opening Stock Adjustment on account of write back | — | (3,454.58) |
| On account of consumption of trading material | (3.97) | — |
| Loss on account of Diminution in the value of inventory (Refer Footnote d to Note 31) | (1,461.23) | — |
| | 1,20,259.04 | 1,18,561.60 |
| Closing Inventory : | | |
| Floor Space Index (FSI) | 10,672.52 | 8,875.17 |
| Incomplete Projects | 89,934.59 | 99,734.69 |
| Transfer of Development Right (TDR) | 2,184.01 | 5,984.64 |
| Trading Material | 1.42 | 19.25 |
| Finished Properties | 13,032.65 | 7,110.49 |
| | 1,15,825.20 | 1,21,724.24 |
| Total | 4,433.84 | (3,162.64) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|---|--|--|
| NOTE 28. EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, bonus, etc. | 935.25 | 861.87 |
| Contribution to provident and other funds | (21.73) | 86.22 |
| Staff welfare expenses | 17.01 | 33.56 |
| Other fund expenses | 1.65 | 2.24 |
| Total | 932.18 | 983.89 |
| NOTE 29. FINANCE COSTS | | |
| Interest costs | | |
| Interest on Fixed loans | 3,106.63 | 3,291.74 |
| Unwinding of security deposit | 21.39 | 19.67 |
| Interest expenses on financial liabilities measured at fair value [Refer Footnote (b) to Note 18 Non Current Borrowings] | 1,541.33 | 1,888.75 |
| Interest expense on account of Right to use | 25.36 | 51.58 |
| Other interest expense | 24.90 | 67.00 |
| Other Borrowing cost | 3.25 | 112.35 |
| Delayed/penal interest on loans and statutory dues | 31.55 | 23.07 |
| Total | 4,754.42 | 5,454.15 |

Footnotes:

- a. The Company has not provided for interest amounting to ₹ 56,729.53 lakhs (As at 31st Mar 2022 : ₹ 43,939.90 lakhs) on certain corporate deposits as the Company is in the process of re-negotiating the terms / waiver of interest by respective lenders. In this regard, the Company has held various meetings with the respective lenders and is hopeful of amicable settlement in the near future. There is also a litigation pending in court in respect of amount payable to one of the lenders.
- b. In line with IND AS-23 'Borrowing Costs' issued by The Institute of Chartered Accountants of India, borrowing costs of ₹ 2,411.40 lakhs (As at 31st March, 2022 : ₹ 3,291.56 lakhs) have been capitalised to inventory.

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| NOTE 30. DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation of property, plant and equipment | 40.96 | 56.02 |
| Depreciation on Lease assets | 80.85 | 115.28 |
| Depreciation of investment property | 147.91 | 146.40 |
| Total | 269.72 | 317.71 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 31. OTHER EXPENSES

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| Insurance | 64.22 | 25.37 |
| Rent | 36.84 | 48.15 |
| Rates and taxes | 170.51 | 329.87 |
| Advertisement expenses | 258.58 | 1,318.17 |
| Advances and other debit balances written off (Refer Footnote (a) and Note 34) | 198.54 | 13,277.05 |
| Bad Debts | — | 1,700.92 |
| Donations | 34.14 | 0.04 |
| Brokerage | 290.81 | 259.10 |
| Directors' fees and travelling expenses | 24.62 | 15.80 |
| Provision for Doubtful Advances | 164.08 | — |
| Provision for Doubtful Debts | 1,022.23 | 139.78 |
| Provision for Diminution in Value of Investment | 1.00 | — |
| Repairs and society maintenance charges | 96.01 | 107.62 |
| Legal and professional fees | 675.93 | 366.76 |
| Loss on account of Diminution in the value of inventory | 1,461.23 | — |
| Loss on foreign currency fluctuation (Net) | 0.22 | (0.06) |
| Other expenses (Refer Footnote (c)) | 1,882.39 | 1,491.28 |
| Total | 6,381.35 | 19,079.86 |

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 ₹ 31.64 lakhs (As at 31st March 2022 : ₹ 13,189.47 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 ₹ Nil (As at 31st March 2022 : ₹ Nil Lakhs) & the actual amount spent during the year is ₹ Nil (As at 31st March 2022 : ₹ Nil Lakhs) for the purpose other than construction/acquisition of an asset.

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|---|--|--|
| Rural Transformation | — | — |
| Health (including COVID - 19) | — | — |
| Education | — | — |
| Sports for Development | — | — |
| Disaster Response (including COVID - 19) | — | — |
| Arts, Culture, Heritage and Urban Renewal | — | — |
| Total | — | — |
| c. Auditors' Remuneration (included in Legal and professional fees and Other Expenses) | | |
| Audit fees | 53.00 | 53.00 |
| Limited Review fees | 8.77 | 8.77 |
| Other services | 1.95 | 1.95 |
| | 63.72 | 63.72 |

- Fees for other services includes certification fees paid to auditors. Statute and other regulations require auditors to certify RERA forms among others
- Incompletes Projects have been stated at cost or their net realisable value whichever is lower. Accordingly, the company has recognised loss on account of diminution in value for one of it's completed project to the extent of ₹ 1,461.23 lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 32. EARNINGS PER SHARE (EPS)

Basic Earning Per Share (In ₹)

Diluted Earning Per Share (In ₹)

Basic and Diluted EPS

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

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

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

| Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|
| 1.47 | (16.62) |
| 1.47 | (16.62) |
| 1,080.83 | (12,088.85) |
| 7,32,68,474 | 7,27,35,871 |

NOTE 33. DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

A. Defined Contribution Plans

An amount of ₹ (50.59 lakhs) (As at 31st Mar 2022 : ₹ 47.20 lakhs) under defined benefit plan is recognised 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

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 defined benefit cost recognised in Statement of Profit and 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 the 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

IV Changes in fair value of plan assets during the year

Fair Value of the plan assets at the beginning of the year

Adjustment to opening Fair value plan Asset

Interest income

Return on plan assets (excluding interest income)

Contribution by employer

Benefits paid

Closing fair value of plan assets

| 31st Mar, 2023 | 31st March, 2022 |
|----------------|------------------|
| 7.29% | 6.85% |
| 5% | 5% |
| 18.14 | 19.08 |
| 13.57 | 50.49 |
| 8.37 | 33.38 |
| 21.94 | 83.86 |
| 70.97 | (406.92) |
| 1.53 | 1.76 |
| 72.50 | (405.16) |
| (189.35) | (159.38) |
| 7.39 | 6.32 |
| (181.96) | (153.05) |
| 159.38 | 515.02 |
| 13.57 | 50.49 |
| 8.75 | 33.85 |
| 70.97 | (406.92) |
| (63.31) | (33.06) |
| 189.35 | 159.38 |
| 6.32 | 4.01 |
| (3.77) | 2.27 |
| 0.38 | 0.47 |
| (1.53) | (1.76) |
| 69.30 | 34.40 |
| (63.31) | (33.06) |
| 7.39 | 6.32 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 33. (Contd.)

| | Year ended 31st March, 2023 (₹ in lakhs) | Target Allocation |
|-------------------------------------|--|-------------------|
| | Total Amount | |
| Asset Information: | | |
| Gratuity Fund | 7.39 | 100% |
| Expected Payout: | | |
| Year | PVO Payout | |
| Expected Outgo First | 52.89 | |
| Expected Outgo Second | 3.30 | |
| Expected Outgo Third | 48.75 | |
| Expected Outgo Fourth | 5.65 | |
| Expected Outgo Fifth | 3.84 | |
| Expected Outgo Sixth to Tenth Years | 41.61 | |

Sensitivity Analysis:

As of 31st March, 2023, every percentage point increase in discount rate will affect our gratuity benefit obligation ₹ 178.83 lakhs.

As of 31st March, 2023, every percentage point decrease in discount rate will affect our gratuity benefit obligation ₹ 201.67 lakhs.

As of 31st March, 2023, every percentage point increase in salary escalation rate will affect our gratuity benefit obligation ₹ 201.69 lakhs.

As of 31st March, 2023, every percentage point decrease in salary escalation rate will affect our gratuity benefit obligation ₹ 178.64 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 2023 is ₹ 15.92 lakhs.

Narrations:

1 Analysis of Defined Benefit Obligation

The number of members under the scheme have decreased by 19.28 %. Similarly the total salary increased by 8.46 % during the accounting period. The resultant liability at the end of the period over the beginning of the period has increased by 18.81%.

2 Expected rate of return basis:

EROA is the discount rate as at previous discount valuation date as per the accounting standard.

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.

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 Risk of Salary Increase

The Company is exposed to higher liability if the future salaries rise more than the assumption of salary escalation.

7 Discount Rate

The discount rate has increased from 6.85% to 7.29% and hence there is an decrease in liability leading to actuarial gain due to change in discount rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24

A. Names of related parties and description of relationship

I. Subsidiaries

- 1 Ackruti Safeguard Systems Private Limited
- 2 Citygold Education Research Limited
- 3 Citywood Builders Private Limited
- 4 Diviniti Projects Private Limited
- 5 Gujarat AkruTi-TCG Biotech Limited
- 6 Joynest Premises Private Limited
- 7 Rubix Trading Private Limited
- 8 Sanas Developers Private Limited (Upto 24-Aug-2022)
- 9 Vama Housing Limited
- 10 Vega Developers Private Limited
- 11 Vishal Techno Commerce Limited
- 12 Yantti Buildcon Private Limited

II. Associates

- 1 Giraffe Developers Private Limited
- 2 Shubhsiddhi Builders Private Limited
- 3 SHK Hotels And Hospitality Private Limited (From 11-May-2022)
- 4 Vinca Developer Private Limited (Upto 01-Jun-2022)
- 5 Whitebud Developers Limited

III. (a) Joint Ventures

- 1 Hubtown Bus Terminal (Adajan) Private Limited
- 2 Hubtown Bus Terminal (Ahmedabad) Private Limited
- 3 Hubtown Bus Terminal (Mehsana) Private Limited
- 4 Hubtown Bus Terminal (Vadodara) Private Limited
- 5 Joyous Housing Limited
- 6 Rare Townships Private Limited
- 7 Sunstream City Private Limited

III. (b) Joint Ventures in the nature of Partnership firm / AOP

- 1 AkruTi GM Joint Venture
- 2 Rising Glory Developers
- 3 Shreenath Realtors

| Country of Incorporation | (% of voting power as at | |
|--------------------------|-------------------------------|------------------|
| | 31st March, 2023 | 31st March, 2022 |
| | | |
| India | 72.43% | 72.43% |
| India | 100.00% | 100.00% |
| India | 100.00% | 100.00% |
| India | 100.00% | 100.00% |
| India | 74.00% | 74.00% |
| India | 24.00% | 24.00% |
| India | 99.94% | 99.94% |
| India | 0.00% | 51.00% |
| India | 100.00% | 100.00% |
| India | 100.00% | 100.00% |
| India | 100.00% | 100.00% |
| India | 100.00% | 100.00% |
| | | |
| India | 48.00% | 48.00% |
| India | 50.00% | 50.00% |
| India | 26.00% | – |
| India | – | 49.00% |
| India | 49.00% | 50.00% |
| | | |
| India | 45.00% | 45.00% |
| India | 45.00% | 45.00% |
| India | 45.00% | 45.00% |
| India | 45.00% | 45.00% |
| India | 25.00% | 25.00% |
| India | 40.00% | 40.00% |
| India | 40.67% | 40.67% |
| Country of Incorporation | % of Ownership Interest as at | |
| | 31st March, 2023 | 31st March, 2022 |
| | | |
| India | 77.00% | 77.00% |
| India | 25.00% | 25.00% |
| India | 92.50% | 92.50% |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

IV. Key management personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director
- 3 Mr. Sunil Mago, Chief Financial Officer
- 4 Mr. Sadanand Lad, Company Secretary

V. Non Executive directors over which they are able to exercise significant influence

- 1 Sunil C Shah
- 2 Kartik Shantilal Ruparel
- 3 Ketaki Rajat Shah (Upto 28-11-2022)
- 4 Mitkumar Koradia (Upto 11-07-2022)
- 5 Milin Jagdish Ramani (From 30-09-2022)
- 6 Bhakti Jaywant Kothare (From 14-11-2022)

VI. Relatives of key management personnel

- 1 Mrs. Kunjal H. Shah, Wife of Executive Chairman
- 2 Mrs. Falguni V. Shah, Wife of Managing Director
- 3 Mr. Rushank V. Shah, Son of Managing Director
- 4 Mr. Khilen V. Shah, Son of Managing Director
- 5 Mr. Kushal H. Shah, Son of Executive Chairman
- 6 Mrs. Nutan Dhanki, Sister of Executive Chairman and Managing Director
- 7 Mrs. Hemanti Parekh, Sister of Executive Chairman and Managing Director
- 8 Hemant M. Shah HUF- Karta Executive Chairman
- 9 Mrs. Pratiti K. Shah, Daughter in Law of Managing Director
- 10 Mrs. Meha R. Shah, Daughter in Law of Managing Director
- 11 Mrs. Aishwarya K. Shah, Daughter in Law of Executive Chairman
- 12 Vyomesh M. Shah HUF- Karta Managing Director
- 13 Mahipatray V. Shah HUF - Karta Executive Chairman
- 14 Mahipatray V. Shah Discretionary Trust - Trustees

VII. Enterprises where key management personnel or their relatives exercise significant influence

(Where transactions have taken place)

- 1 Amazia Developers Private Limited
- 2 Aradhana Lifespace LLP
- 3 Buildbyte.Com (India) Private Limited
- 4 Citygold Management Services Pvt Ltd
- 5 Dharni Properties Pvt.Ltd.
- 6 Hazel Erectors Pvt. Ltd.
- 7 Heet Builders Private Limited
- 8 Helictite Residency Private Limited
- 9 Helik Advisory Limited
- 10 Hill View Venture
- 11 Hubtown Solaris Maintenance Private Limited
- 12 Powersoft IT Private Limited
- 13 Wellgroomed Venture

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties

(₹ in lakhs)

| 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 | | | | |
| | Rare Townships Private Limited | — (—) | — (—) | — (85.42) | — (—) |
| | Vama Housing Limited | 20.00 (—) | — (—) | — (—) | — (—) |
| | Vishal Techno Commerce Limited | 221.30 (—) | — (—) | — (—) | — (—) |
| ii. | Loans and Advances given/ repaid/adjusted | | | | |
| | Vama Housing Limited | 24.00 (1.50) | — (—) | — (—) | — (—) |
| | Vishal Techno Commerce Limited | 4.50 (1.50) | — (—) | — (—) | — (—) |
| | Joyous Housing Limited | — (—) | — (—) | 3.37 (—) | — (—) |
| | Rare Townships Private Limited | — (—) | — (—) | 29.25 (11.75) | — (—) |
| iii. | Business Advances received / recovered / adjusted | | | | |
| | Ackruti Safeguard Systems Private Limited | 8.00 (5.00) | — (—) | — (—) | — (—) |
| | Adhivitiya Properties Limited | — (—) | — (—) | — (—) | — (13.37) |
| | Amazia Developers Private Limited | — (—) | — (—) | — (—) | 369.60 (40.00) |
| | Aradhana Lifespace LLP | — (—) | — (—) | — (—) | 45.00 (—) |
| | Buildbyte.Com (India) Private Limited | — (—) | — (—) | — (—) | 15.00 (104.44) |
| | Citygold Education Research Limited | 1,070.18 (72.00) | — (—) | — (—) | — (—) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | — (—) | — (319.53) |
| | Citywood Builders Private Limited | 1,053.73 (64.40) | — (—) | — (—) | — (—) |
| | Distinctive Realty Private Limited | — (—) | — (—) | — (—) | — (332.83) |
| | Fern Infrastructure Private Limited | — (—) | — (—) | — (—) | — (100.97) |
| | Giraffe Developers Private Limited | — (—) | 12,759.32 (4,154.65) | — (—) | — (—) |
| | Heet Builders Private Limited | — (—) | — (—) | — (—) | 3,647.46 (14.50) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|------------|--|----------------------|-------------------------|------------------------|--|
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | — (—) | 210.50 (—) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (—) | 1,008.70 (71.34) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | — (—) | 1,002.78 (—) | — (—) |
| | Joynest Premises Private Limited | 1,370.90 (455.56) | — (—) | — (—) | — (—) |
| | Sunstream City Private Limited | — (—) | — (—) | — (10.00) | — (—) |
| | Vega Developers Private Limited | — (271.00) | — (—) | — (—) | — (—) |
| | Wellgroomed Venture | — (—) | — (—) | — (—) | 25.00 (240.85) |
| | Yantti Buildcon Private Limited | 10.00 (—) | — (—) | — (—) | — (—) |
| iv. | Business Advances given / repaid / adjusted | | | | |
| | Adhivitiya Properties Limited | — (—) | — (—) | — (—) | — (2.50) |
| | Amazia Developers Private Limited | — (—) | — (—) | — (—) | 882.24 (170.00) |
| | Aradhana Lifespace LLP | — (—) | — (—) | — (—) | 50.00 (—) |
| | Citygold Education Research Limited | 293.50 (37.00) | — (—) | — (—) | — (—) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | — (—) | — (70.10) |
| | Citywood Builders Private Limited | 894.44 (387.42) | — (—) | — (—) | — (—) |
| | Fern Infrastructure Private Limited | — (—) | — (—) | — (—) | — (120.00) |
| | Giraffe Developers Private Limited | — (—) | 11,291.26 (6,460.40) | — (—) | — (—) |
| | Gujarat Akruiti—TCG Biotech Limited | 13.50 (—) | — (—) | — (—) | — (—) |
| | Heet Builders Private Limited | — (—) | — (—) | — (—) | 574.83 (30.00) |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | — (—) | 186.50 (7.00) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (—) | 1,966.53 (1,791.85) | — (—) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|-------------|---|------------------------|---------------------|-------------------------|--|
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | — (—) | 509.15 (179.50) | — (—) |
| | Hubtown Bus Terminal (Vadodara) Private Limited | — (—) | — (—) | 949.07 (10.00) | — (—) |
| | Joynest Premises Private Limited | 1,598.17 (1,437.21) | — (—) | — (—) | — (—) |
| | Rubix Trading Private Limited | — (—) | 1,199 (—) | — (—) | — (—) |
| | Shubhsiddhi Builders Private Limited | — (—) | — (0.20) | — (—) | — (—) |
| | Sunstream City Private Limited | — (—) | — (—) | 1,677.89 (1,103.00) | — (—) |
| | Vega Developers Private Limited | 79.37 (—) | — (—) | — (—) | — (—) |
| | Vishal Techno Commerce Limited | — (0.50) | — (—) | — (—) | — (—) |
| | Wellgroomed Venture | — (—) | — (—) | — (—) | 2,010.38 (21.00) |
| | Whitebud Developers Limited | — (—) | 13.30 (0.50) | — (—) | — (—) |
| | Yantti Buildcon Private Limited | 373.43 (3.00) | — (—) | — (—) | — (—) |
| v. | Contribution in Partner's Current Account | | | | |
| | Akruti GM JV | — (—) | — (—) | 270.71 (99.40) | — (—) |
| | Rising Glory Developers | — (—) | — (—) | 20,253.07 (5,900.98) | — (—) |
| vi. | Amount Withdrawn from Partner's Current Account | | | | |
| | Jairaj Developers Unit—9 | — (—) | — (—) | 10,419.22 (—) | — (—) |
| | Rising Glory Developers | — (—) | — (—) | 22,798.95 (5,767.41) | — (—) |
| vii. | On behalf payments made (Including reimbursement of expenses) | | | | |
| | Ackruti Safeguard Systems Private Limited | 0.39 (—) | — (—) | — (—) | — (—) |
| | Akruti GM JV | — (—) | — (—) | 0.12 (—) | — (—) |
| | Amazia Developers Private Limited | — (—) | — (—) | — (—) | — (2.79) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------|--|----------------------|---------------------|------------------|--|
| | Aradhana Lifespace LLP | — (—) | — (—) | — (—) | 0.66 (3.02) |
| | Buildbyte.Com (India) Private Limited | — (—) | — (—) | — (—) | 0.04 (0.02) |
| | Citygold Education Research Limited | 30.55 (8.33) | — (—) | — (—) | — (—) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | — (—) | 0.12 (—) |
| | Citywood Builders Private Limited | — (0.42) | — (—) | — (—) | — (—) |
| | Dharni Properties Pvt.Ltd. | — (—) | — (—) | — (—) | 2.30 (—) |
| | Giraffe Developers Private Limited | — (—) | — (0.08) | — (—) | — (—) |
| | Gujarat Akruti—TCG Biotech Limited | 2.38 (—) | — (—) | — (—) | — (—) |
| | Heet Builders Private Limited | — (—) | — (—) | — (—) | 1.20 (—) |
| | Helictite Residency Private Limited | — (—) | — (—) | — (—) | 0.24 (29.25) |
| | Helik Advisory Limited | — (—) | — (—) | — (—) | 0.24 (—) |
| | Hill View Venture | — (—) | — (—) | — (—) | 4.20 (3.31) |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | — (—) | 0.66 (161.26) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (—) | 2.22 (—) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | — (—) | 0.84 (408.15) | — (—) |
| | Hubtown Bus Terminal (Vadodara) Private Limited | — (—) | — (—) | 0.48 (—) | — (—) |
| | Joynest Premises Private Limited | 896.89 (159.56) | — (—) | — (—) | — (—) |
| | Khilen Shah | — (—) | — (—) | — (—) | — (0.44) |
| | Kushal Shah | — (—) | — (—) | — (—) | — (2.32) |
| | Rare Townships Private Limited | — (—) | — (—) | 14.70 (—) | — (—) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--------------|--|----------------------|---------------------|----------------|--|
| | Rushank Shah | — (—) | — (—) | — (—) | 159.44 (43.49) |
| | Sunil Chandrakant Shah | — (—) | — (—) | — (—) | 0.02 (—) |
| | Sunstream City Private Limited | — (—) | — (—) | 0.18 (0.95) | — (—) |
| | Vyomesh M. Shah | — (—) | — (—) | — (—) | 0.04 (—) |
| | Wellgroomed Venture | — (—) | — (—) | — (—) | — (0.05) |
| | Yantti Buildcon Private Limited | 29.33 (0.18) | — (—) | — (—) | — (—) |
| viii. | On behalf payments received/adjusted | | | | |
| | Ackruti Safeguard Systems Private Limited | 0.39 (—) | — (—) | — (—) | — (—) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | — (—) | 0.36 (17.55) |
| | Hazel Erectors Pvt. Ltd. | — (—) | — (—) | — (—) | 0.09 (—) |
| | Heet Builders Private Limited | — (—) | — (—) | — (—) | 6.44 (1.68) |
| | Helictite Residency Private Limited | — (—) | — (—) | — (—) | — (28.45) |
| | Helik Advisory Limited | — (—) | — (—) | — (—) | 0.24 (—) |
| | Hemant Shah | — (—) | — (—) | — (—) | 1.31 (—) |
| | Hill View Venture | — (—) | — (—) | — (—) | 29.26 (—) |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | — (—) | — (537.05) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (—) | — (20.00) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | — (—) | — (793.66) | — (—) |
| | Joynest Premises Private Limited | 547.97 (—) | — (—) | — (—) | — (—) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|-------------|---|----------------------|---------------------|------------------|--|
| | Khilen Shah | — (—) | — (—) | — (—) | 0.17 (—) |
| | Kushal Shah | — (—) | — (—) | — (—) | 0.51 (2.31) |
| | Rushank Shah | — (—) | — (—) | — (—) | 164.42 (2.12) |
| | Sunil Chandrakant Shah | — (—) | — (—) | — (—) | 0.02 (—) |
| | Vyomesh M. Shah | — (—) | — (—) | — (—) | 0.04 (—) |
| | Wellgroomed Venture | — (—) | — (—) | — (—) | 80.14 (—) |
| ix. | Advance received against FSI | | | | |
| | Hill View Venture | — (—) | — (—) | — (—) | — (83.04) |
| x. | Issue of Share Warrants | | | | |
| | Meha Rushank Shah | — (—) | — (—) | — (—) | 1,296.00 (—) |
| | Pratiti K. Shah | — (—) | — (—) | — (—) | 1,296.00 (—) |
| xi. | Sale of properties/rights/Material/services (Net of GST) | | | | |
| | Joyneest Premises Private Limited | 21.99 (0.46) | — (—) | — (—) | — (—) |
| | Akruti GM JV | — (—) | — (—) | — (3.73) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (—) | — (4.25) | — (—) |
| | Citywood Builders Private Limited | — (0.36) | — (—) | — (—) | — (—) |
| | Heet Builders Private Limited | — (—) | — (—) | — (—) | — (8.86) |
| xii. | Interest income on loans/Debentures | | | | |
| | Joyous Housing Limited | — (—) | — (—) | 39.45 (38.70) | — (—) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------------|---|----------------------|---------------------|----------------|--|
| xiii. | Share of profit from Partnerships/Joint Ventures | | | | |
| | Akruti GM JV | — (—) | — (—) | 0.74 (1.68) | — (—) |
| | Shreenath Realtors | — (—) | — (—) | 0.55 (0.41) | — (—) |
| xiv. | Share of loss from Partnerships/Joint Ventures | | | | |
| | Rising Glory Developers | — (—) | — (—) | 0.10 (3.94) | — (—) |
| xv. | Purchase of properties/rights/Material/services (Net of GST) | | | | |
| | Dharni Properties Pvt.Ltd. | — (—) | — (—) | — (—) | 2.30 (—) |
| | Joynest Premises Private Limited | 7.13 (7.58) | — (—) | — (—) | — (—) |
| | Rare Townships Private Limited | — (—) | — (—) | — (3.20) | — (—) |
| xvi. | Services received/availed | | | | |
| | Powersoft IT Private Limited | — (—) | — (—) | — (—) | 46.62 (44.25) |
| xvii. | Directors' Remuneration | | | | |
| | Hemant Shah | — (—) | — (—) | — (—) | 41.16 (49.35) |
| | Vyomesh M. Shah | — (—) | — (—) | — (—) | 36.90 (43.95) |
| xviii. | Directors Sitting Fees | | | | |
| | Abhijit Datta | — (—) | — (—) | — (—) | — (2.00) |
| | Bhakti Jaywant Kothare | — (—) | — (—) | — (—) | 0.80 (—) |
| | Kartik Shantilal Ruparel | — (—) | — (—) | — (—) | 6.30 (2.70) |
| | Ketaki Rajat Shah | — (—) | — (—) | — (—) | 3.40 (2.20) |
| | Milin Jagdish Ramani | — (—) | — (—) | — (—) | 1.50 (—) |
| | Sunil Chandrakant Shah | — (—) | — (—) | — (—) | 6.90 (4.30) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------------|---|------------------------|---------------------|----------------|--|
| xix. | Remuneration to Relatives of KMPs | | | | |
| | Rushank Shah | — (—) | — (—) | — (—) | — (12.02) |
| | Khilen Shah | — (—) | — (—) | — (—) | — (12.02) |
| | Kushal Shah | — (—) | — (—) | — (—) | — (0.50) |
| xx. | Remuneration to KMPs | | | | |
| | Sunil Mago | — (—) | — (—) | — (—) | 45.64 (27.65) |
| | Sadanand Lad | — (—) | — (—) | — (—) | 20.60 (13.28) |
| xxi. | Advances/Other Debit balance written off | | | | |
| | Citywood Builders Private Limited | — (4,271.62) | — (—) | — (—) | — (—) |
| | Lista City Private Limited | — (—) | — (—) | — (—) | — (39.76) |
| | Sheshan Housing And Area Development Engineers Limited | — (—) | — (—) | — (—) | — (2.85) |
| xxii. | Sundry Balances written back | | | | |
| | Sheshan Housing And Area Development Engineers Limited | — (—) | — (—) | — (—) | — (0.0001) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | — (—) | — (0.19) |
| | Helik Advisory Limited | — (—) | — (—) | — (—) | — (0.12) |
| xxiii. | Corporate guarantees given for loans availed by others | | | | |
| | Joynest Premises Private Limited | 7,127.22 (7,127.22) | — (—) | — (—) | — (—) |
| | Rare Townships Private Limited | — (—) | — (—) | — (38.48) | — (—) |
| | Giraffe Developers Private Limited | — (—) | — (7,954.55) | — (—) | — (—) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------------|---|----------------------|---------------------|--------------------|--|
| xxiv. | Corporate Guarantees vacated for loans availed by others | | | | |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | — (—) | 716.02 (390.00) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | — (—) | 702.28 (316.55) | — (—) |
| | Hubtown Bus Terminal (Vadodara) Private Limited | — (—) | — (—) | 506.26 (309.58) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (—) | 613.75 (100.82) | — (—) |
| | Giraffe Developers Private Limited | — (—) | 5,921 (—) | — (—) | — (—) |
| | Rare Townships Private Limited | — (—) | — (—) | 343.05 (—) | — (—) |
| | Sunstream City Private Limited | — (—) | 681.22 (743.75) | — (—) | — (—) |
| xxv. | Purchase of Shares from Vinca (Investments in shares of Rubix Trading Pvt. Ltd.) | | | | |
| | Vinca Developer Private Limited (Upto 01-June-2022) | — (—) | — (0.9994) | — (—) | — (—) |
| xxvi. | Sale of Shares (CGMS) | | | | |
| | Falguni Shah | — (—) | — (—) | — (—) | (0.05) (—) |
| | Khilen Shah | — (—) | — (—) | — (—) | (0.03) (—) |
| | Kunjai Shah | — (—) | — (—) | — (—) | (0.05) (—) |
| | Kushal Shah | — (—) | — (—) | — (—) | (0.06) (—) |
| | Rushank Shah | — (—) | — (—) | — (—) | (0.06) (—) |
| xxvii. | Earlier Period Adjustments | | | | |
| | Shreenath Realtors | — (—) | — (—) | 3.50 (—) | — (—) |
| | Sunstream City Private Limited | — (—) | — (—) | 50.00 (—) | — (—) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lakhs)

| Sr. No. | Nature of transaction | Subsidiary companies | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|----------------|--|----------------------|---------------------|----------------|--|
| xxviii. | Other Payables | | | | |
| | Amazia Developers Private Limited | — (—) | — (—) | — (—) | — (300.00) |
| | Bhakti Jaywant Kothare | — (—) | — (—) | — (—) | 0.02 (—) |
| | Falguni Shah | — (—) | — (—) | — (—) | 173.07 (224.19) |
| | Hemant Shah | — (—) | — (—) | — (—) | — (1,060.91) |
| | Hemant Shah (HUF) | — (—) | — (—) | — (—) | 621.08 (—) |
| | Hill View Venture | — (—) | — (—) | — (—) | — (24.45) |
| | Joynest Premises Private Limited | — (1.40) | — (—) | — (—) | — (—) |
| | Kartik Shantilal Ruparel | — (—) | — (—) | — (—) | 0.02 (—) |
| | Kushal Shah | — (—) | — (—) | — (—) | 87.30 (106.38) |
| | Milin Jagdish Ramani | — (—) | — (—) | — (—) | 0.02 (—) |
| | Vyomesh M. Shah | — (—) | — (—) | — (—) | 224.14 (1,041.44) |
| xxix. | Other Receivables | | | | |
| | Amazia Developers Private Limited | — (—) | — (—) | — (—) | — (35.67) |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | — (—) | 0.88 (—) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (—) | 0.92 (—) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | — (—) | 0.60 (—) | — (—) |
| | Hubtown Bus Terminal (Vadodara) Private Limited | — (—) | — (—) | 0.22 (—) | — (—) |
| | Hubtown Solaris Maintenance Private Limited | — (—) | — (—) | — (—) | 30.62 (—) |
| | Powersoft IT Private Limited | — (—) | — (—) | — (—) | — (1.48) |
| | Rushank Shah | — (—) | — (—) | — (—) | 13.51 (—) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

Balances outstanding

| | | As at 31st March, 2023 (₹ in lakhs) | | As at 31st March, 2022 (₹ in lakhs) | | |
|------|--|---|--------------|---|--------------|--|
| | | Payable # | Receivable # | Payable # | Receivable # | |
| xxx. | Subsidiary companies | | | | | |
| | Ackruti Safeguard Systems Private Limited | — | 1,688.09 | — | 1,696.09 | |
| | Citygold Education Research Limited | — | 404.85 | — | 1,150.98 | |
| | Citywood Builders Private Limited | — | 164.08 | — | 1,363.63 | |
| | Gujarat Akruti—TCG Biotech Limited | — | 28.32 | — | 12.43 | |
| | Joynest Premises Private Limited | — | 1,378.91 | — | 809.09 | |
| | Rubix Trading Private Limited | — | 1,199.00 | — | — | |
| | Vama Housing Limited | — | 407.23 | — | 403.23 | |
| | Vega Developers Private Limited | — | 762.27 | — | 682.90 | |
| | Vishal Techno Commerce Limited | — | 391.77 | — | 608.57 | |
| | Yantti Buildcon Private Limited | — | 4,657.76 | — | 4,265.00 | |
| | Associate companies | | | | | |
| | Giraffe Developers Private Limited | — | 10,350.19 | — | 11,718.25 | |
| | Shubhsiddhi Builders Private Limited | — | 0.20 | — | — | |
| | Whitebud Developers Limited | — | 933.67 | — | 920.37 | |
| | Joint Ventures | | | | | |
| | Akruti GM JV | — | 2,162.23 | — | 1,890.66 | |
| | Hill View Venture | 2,285.03 | — | 4,193.51 | — | |
| | Hubtown Bus Terminal (Adajan) Private Limited | — | 2,658.00 | — | 2,680.46 | |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — | 5,778.53 | — | 4,821.80 | |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — | 198.73 | — | 690.92 | |
| | Hubtown Bus Terminal (Vadodara) Private Limited | — | 1,381.12 | — | 431.35 | |
| | Jairaj Developers — Unit 9 | — | — | 1,025.40 | — | |
| | Joyous Housing Limited | — | 1,246.24 | — | 1,203.42 | |
| | Rare Townships Private Limited | — | 1,335.28 | — | — | |
| | Rising Glory Developers | — | 2,867.15 | — | 5,413.13 | |
| | Shreenath Realtors | 1.92 | — | — | 1.03 | |
| | Sunstone Developers JV | — | — | — | 342.06 | |
| | Sunstream City Private Limited | — | 4,510.14 | — | 2,832.07 | |
| | Well Groomed Venture | — | 2,185.38 | — | — | |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

Balances outstanding

| | Key management personnel, their relatives and enterprises \$ | As at 31st March, 2023 (₹ in lakhs) | | As at 31st March, 2022 (₹ in lakhs) | |
|--|--|---|--------------|---|--------------|
| | | Payable # | Receivable # | Payable # | Receivable # |
| | Abhijit Datta (upto 15-01-2022) | — | — | 3.72 | — |
| | Adhivitiya Properties Limited | — | 36.98 | 17.12 | — |
| | Amazia Developers Private Limited | — | 58.45 | — | — |
| | Aradhana Lifespace LLP | — | 15.73 | — | — |
| | Bhakti Jaywant Kothare | 0.72 | — | — | — |
| | Buildbyte.Com (India) Private Limited | 27.69 | — | 12.73 | — |
| | Citygold Management Services Private Limited | 2.87 | — | — | 0.02 |
| | Dharni Properties Pvt.Ltd. | 1.15 | — | — | — |
| | E Commerce Magnum Solution Limited | — | 115.61 | — | 115.61 |
| | Falguni Shah | — | 1.77 | 260.84 | — |
| | Fourjone Realtors Private Limited | — | 0.50 | — | 0.50 |
| | Heet Builders Private Limited | — | 3,408.14 | — | 6,486.01 |
| | Helictite Residency Private Limited | — | 2.08 | — | 1.84 |
| | Hemant M. Shah | 14.32 | — | 908.98 | — |
| | Hubtown Solaris Maintenance Private Limited | — | 503.02 | — | 911.57 |
| | Kartik Shantilal Ruparel | 0.99 | — | — | — |
| | Khilen Shah | — | 5.36 | — | 0.43 |
| | Kunjal Shah | — | — | 2.01 | — |
| | Kushal Shah | 87.30 | — | 16.48 | — |
| | Lista City Private Limited | — | 0.01 | — | — |
| | Mahipatray Shah Family Discretionary Trust | 19.50 | — | — | — |
| | Milind Jagdish Ramani | 0.99 | — | — | — |
| | Powersoft IT Private Limited | — | 0.81 | 9.52 | — |
| | Pratiti K. Shah | 0.003 | — | 0.003 | — |
| | Priti K. Shah | 19.71 | — | 23.88 | — |
| | Rushank Shah | — | 56.23 | — | 41.33 |
| | Sunil C. Shah | 33.60 | — | 35.37 | — |
| | Transgulf Mep Engineers Private Limited | — | — | 0.25 | — |
| | Vishal Nirman (India) Limited | 43.09 | — | 43.09 | — |
| | Vyomesh M. Shah | 44.07 | — | 1,064.85 | — |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Particular | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---------|---|--|--|
| xxxi. | Corporate guarantees given for loans availed by others (Amount outstanding there against) | | |
| | Subsidiary companies | | |
| | Vishal Techno Commerce Limited | 10,197.20 | 10,197.20 |
| | Joynest Premises Private Limited | 15,000.00 | 18,084.41 |
| | Associate companies | | |
| | Giraffe Developers Private Limited | 4,714.11 | 10,635.37 |
| | Joint Ventures | | |
| | Hubtown Bus Terminal (Adajan) Private Limited | 514.73 | 1,230.75 |
| | Hubtown Bus Terminal (Mehsana) Private Limited | 1,809.74 | 2,512.02 |
| | Hubtown Bus Terminal (Vadodara) Private Limited | 2,193.53 | 2,699.79 |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | 4,758.60 | 5,372.35 |
| | Sunstream City Private Limited | 2,899.26 | 3,580.47 |
| | Rare Townships Private Limited | 2,251.09 | 2,594.14 |
| xxxii. | Bank guarantees given on behalf of related parties (Amount outstanding there against) | | |
| | Subsidiary companies | | |
| | Gujarat Akruti-TCG Biotech Limited | 100.00 | 100.00 |
| | Joynest Premises Private Limited | — | 138.79 |
| xxxiii. | Personal Guarantee of Directors towards loans availed by the Company | | |
| | Key management personnel, their relatives and enterprises \$ | | |
| | Banks | 21,268.61 | 19,900.48 |
| | Financial Institutions | 2,128.05 | 4,137.68 |
| | Companies | 9,029.21 | 10,818.42 |
| xxxiv. | Guarantees / Securities given by way of shares in the Company pledged against loans availed by the Company | 7,581.06 | 13,291.68 |

Footnotes:

* Refer footnote No. (f) to Note No. 6.

\$ Enterprises where Key Management personnel or their relatives exercise significant influence.

Including balances relating to transactions entered in to when these were not related.

Related party relationships are as identified by the Company and relied upon by the auditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 35. 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, 2023 | | | |
|------------|--|------------------------------------|---|---|--|
| | | Balance at the end (₹ in lakhs) | Maximum balance during the year (₹ in lakhs) | Shares held by loanee in the Company | |
| | | | | No. of shares outstanding at the year end | Maximum No. of shares held during the year |
| I. | Subsidiaries (Refer footnote a) | | | | |
| 1 | Vama Housing Limited | 407.23 (403.23) | 407.23 (401.73) | — (—) | — (—) |
| 2 | Vishal Techno Commerce Limited | 392.69 (608.99) | 613.99 (607.49) | — (—) | — (—) |
| II. | Joint Ventures | | | | |
| 1. | Joyous Housing Limited | 1,101.27 (1,058.45) | 1,101.27 (1,034.30) | — (—) | — (—) |
| 2. | Rare Townships Private Limited | 1,310.58 (1,281.33) | 1,310.58 (1,355.00) | — (—) | — (—) |

Footnote:

- a. Interest free loans have been given to wholly owned subsidiaries.
- b. Above loans are repayable on demand.
- c. Previous year figures are given in brackets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 35. DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (Contd.)

B. Project Advances (Refer Footnote a)

| Sr. No. | Name of the Company | 31st March, 2023 | | | |
|----------------------------|--|------------------------------------|---|---|--|
| | | Balance at the end (₹ in lakhs) | Maximum balance during the year (₹ in lakhs) | Shares held by loanee in the Company | |
| | | | | No. of shares outstanding at the year end | Maximum No. of shares held during the year |
| I. Subsidiaries | | | | | |
| 1 | Akruti Safeguard Systems Private Limited | 1,688.09 (1,696.09) | 1,696.09 (1,701.09) | — (—) | — (—) |
| 2 | Citywood Builders Private Limited | 164.08 (323.02) | 164.08 (323.02) | — (—) | — (—) |
| 3 | Gujarat Akruti—TCG Biotech Limited | 27.03 (11.15) | 27.03 (11.15) | — (—) | — (—) |
| 4 | Joynest Premises Private Limited | 1,262.47 (1,197.37) | 1,287.10 (112.38) | — (—) | — (—) |
| 5 | Vega Developers Private Limited | 762.27 (682.90) | 762.27 (953.90) | — (—) | — (—) |
| 6 | Yantti Buildcon Private Limited | 4,380.44 (3,995.49) | 4,390.44 (3,998.49) | — (—) | — (—) |
| 7 | Rubix Trading Private Limited | 1,199.00 (—) | 1,199.00 (—) | — (—) | — (—) |
| II. Associates | | | | | |
| 1. | Whitebud Developers Limited | 933.67 (920.37) | 933.67 (919.87) | — (—) | — (—) |
| 2. | Giraffe Developers Private Limited | 10,350.19 (11,718.17) | 16,894.81 (9,412.42) | — (—) | — (—) |
| III. Joint Ventures | | | | | |
| 1. | Sunstream City Private Limited | 4,396.34 (2,717.22) | 4,396.34 (1,624.22) | — (—) | — (—) |
| 2. | Hubtown Bus Terminal (Vadodara) Private Limited | 1,271.46 (321.68) | 1,271.46 (321.68) | — (—) | — (—) |
| 3. | Hubtown Bus Terminal (Ahmedabad) Private Limited | 5,317.27 (4,356.25) | 5,317.27 (4,356.25) | — (—) | — (—) |
| 4. | Hubtown Bus Terminal (Adajan) Private Limited | 2,193.28 (2,054.29) | 2,388.90 (2,584.53) | — (—) | — (—) |

Footnotes:

- a. Interest free advances.
- b. Previous year figures are given in brackets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 36

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 37 CONTINGENT LIABILITIES AND COMMITMENTS (NOT PROVIDED FOR) :

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| (i) (A) Claims against the Company not acknowledged as debts on account of : | | |
| 1) Income tax and MVAT matters under appeal | 37,978.88 | 36,867.98 |
| 2) Towards pending legal cases | 21,149.22 | 85,877.09 |
| (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) | 44,338.25 | 56,906.50 |
| (ii) Other commitments : | | |
| (a) Bank Guarantees against own projects | 1,081.93 | 1,080.93 |
| (b) Bank Guarantees given on behalf of subsidiaries, Joint ventures, etc. | 100.00 | 238.79 |
| (iii) Certain disputes and differences had arisen between the Company (as promoters of one of the joint venture namely Rare Townships Private Limited) and investors (IL&FS and IIRF) on the issue of exercising put option by the investor which the promoters had challenged. The investors had invoked arbitration clause of share subscription and shareholders agreement on the said matter. The parties have now amicably settled all disputes and the investors have irrevocably withdrawn all claims, allegations, contentions and demands made by them | — | Amount unascertainable |

Footnotes:

- a. 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.
- b. Contingent liabilities include corporate guarantees issued by the Company and are relied upon by the Auditors.
- c. 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 38. 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. 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 the interest rate risk is limited for the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

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.

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 receivables from group companies.

- a) Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, thereby, substantially eliminating the Company'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 the 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 Company's credit period generally ranges from 30 to 90 days.
- c) 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. The Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

NOTE 39. DISCLOSURE OF DERIVATIVES

- a. No derivative instruments were outstanding at the end of the year.
- b. Uncovered risks in foreign currency transactions disclosed as at:

| | Particulars | 31st March, 2023 | 31st March, 2022 |
|-----|--------------|------------------|------------------|
| (i) | Cash on Hand | | |
| | UK POUND | 25 | 25 |
| | INR | 2,537 | 2,479 |
| | AED | 9,182 | 9,182 |
| | INR | 2,05,351 | 188,729 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 40. 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 the 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, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| Borrowings including current maturities | 56,487.64 | 63,221.09 |
| Interest accrued and due/ accrued but not due | 15,698.02 | 16,410.51 |
| Overdue Term Loan | 10,235.22 | 10,526.19 |
| Total Debt | 82,420.88 | 90,157.79 |
| Less: Cash and cash equivalents | 1,427.87 | 1,693.10 |
| Net Debt (A) | 80,993.01 | 88,464.70 |
| Equity Share Capital | 7,633.59 | 7,273.59 |
| Other Equity | 1,36,106.78 | 1,32,866.45 |
| Total Equity (B) | 1,43,740.37 | 1,40,140.04 |
| Debt Equity Ratio (A/B) | 0.56 | 0.63 |

NOTE 41. CATEGORIES OF FINANCIAL INSTRUMENTS

| Fair Value measurement | 31st March, 2023 (₹ in lakhs) | | 31st March, 2022 (₹ in lakhs) | |
|--------------------------------|----------------------------------|--------------------|----------------------------------|----------------|
| | FVPL / FVOCI | Amortised Cost | FVPL / FVOCI | Amortised Cost |
| Financial Assets | | | | |
| Investments | 5.38 | 99,536.10 | 5.10 | 99,600.58 |
| Trade receivables | — | 18,988.25 | — | 23,115.05 |
| Cash and cash equivalents | — | 1,427.87 | — | 1,693.10 |
| Bank balances other than above | — | 124.67 | — | 464.66 |
| Loans | — | 3,233.53 | — | 3,556.43 |
| Other financial assets | — | 73,336.90 | — | 72,123.74 |
| Total | 5.38 | 1,96,647.33 | 5.10 | 2,00,553.55 |
| Financial Liabilities | | | | |
| Borrowings | — | 40,710.15 | — | 45,063.39 |
| Trade payables | — | 10,693.31 | — | 12,769.19 |
| Other Financial liabilities | — | 98,704.26 | — | 1,02,297.64 |
| Total | — | 1,50,107.73 | — | 1,60,130.21 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

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

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

NOTE 44. RATIOS

The ratios for the years ended March 31, 2023 and March 31, 2022 are as follows :

| Particulars | Numerator | Denominator | 31st March, 2023 | 31st March, 2022 | Variance | Reasons (If Variance More Than 25 %) |
|-----------------------------------|--|-----------------------------------|------------------|------------------|------------------------|---|
| | | | (In Times) | (In Times) | (In Percentage) (%) | |
| Current Ratio | Current assets | Current liabilities | 1.05 | 1.01 | 4.69% | — |
| Debt – Equity Ratio | Total Net Debt | Shareholder's Equity | 0.56 | 0.63 | (10.74%) | — |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | (0.03) | (0.13) | (80.27%) | Change in ratio is consequent to decrease in loss and decrease in debts as compared to last year. |
| Return on Equity (ROE) | Net Profits after taxes | Average Shareholder's Equity | 0.01 | (0.09) | (108.72%) | Change in ratio is consequent to decrease in loss as compared to last year. |
| Inventory turnover ratio | Revenue | Inventory | 0.20 | 0.20 | — | — |
| Trade receivables turnover ratio | Revenue | Average Trade Receivable | 1.12 | 1.17 | (5.04%) | — |
| Trade payables turnover ratio | Purchases of services and other expenses | Average Trade Payables | 2.02 | 2.78 | (27.23%) | Change in Trade payable turnover ratio is due to decrease in expenses and decrease in average of trade payables as compared to last year. |
| Net capital turnover ratio | Revenue | Working Capital | 0.18 | 0.18 | (0.71%) | — |
| Net profit ratio | Profit After Tax | Revenue | 0.05 | (0.49) | (109.41%) | Change in Net profit ratio is due to decrease in Expenses as compared to last year |
| Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed | 0.01 | (0.03) | (142.76%) | Change in ROCE is Due to increase in Earnings Before Interest & Tax & decrease in Capital Employed as compared to last year. |
| Return on Investment(ROI) | | | | | | |
| Unquoted | Income generated from investments | Time weighted average investments | (0.003) | (0.003) | 24.86% | — |
| Quoted | Income generated from investments | Time weighted average investments | 0.053 | 0.031 | 71.89% | Change in Return on Investments is due to increase in net assets value from Investments as compared to last year as against Time weighted average investment. |

NOTE 45. TRANSACTIONS WITH STRUCK OFF COMPANIES

(₹ in lakhs)

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding | Relationship with the Struck off company, if any, to be disclosed |
|----------------------------|--|---------------------|---|
| — | — | — | — |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 46. OTHER STATUTORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2023:

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) The Company does not have any transaction during the current financial year with companies struck off under Section 248 of the Companies Act, 2013.
- iii) The Company does not have any charge or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961
- viii) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority or other lender in current financial year, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- ix) The Company has complied with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation.

As per our report of even date
 For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
 CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
 PARTNER
 Membership No. 168889
 UDIN: 23168889BGYGEJ3829
 Mumbai
 May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
 EXECUTIVE CHAIRMAN
 DIN: 00009659

VYOMESH M. SHAH
 MANAGING DIRECTOR
 DIN: 00009596

SADANAND LAD
 COMPANY SECRETARY

SUNIL MAGO
 CHIEF FINANCIAL OFFICER

Mumbai
 May 29, 2023

Mumbai
 May 29, 2023

INDEPENDENT AUDITOR'S 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 2023, 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 2023, and its Consolidated profit (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) Footnote (a) of Note 29 to the accompanying consolidated financial result of the Company for the year, with regards the Company not having provided for interest expense amounting to ₹ 56729.53 lakhs on certain Inter-corporate deposits. Consequent to above, finance cost for the year ended 31st March, 2023 has been understated by ₹ 56729.53 lakhs resulting in a consequential increase in the profit for the year ended 31st March, 2023 to that extent. Our opinion on the consolidated financial statement for the year ended 31st March, 2022 was also modified in respect of this matter.

Emphasis of Matters

We draw Attention to:

- a) Note 2 (II) (b) (ii) Of 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 and Footnote (d) to Note 31 to the consolidated financial statements, regarding the status of the projects and the opinion framed by the Group'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 statements, regarding Corporate guarantees issued and securities provided aggregating to INR 64,732.65 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, 2023. 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 statements, 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 consolidated financial statement, regarding balances that are subject to confirmations, reconciliation and adjustments, if any.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- g) Footnote (f) to Note 7 of the Consolidated financial statements, regarding the Group's investments in certain jointly controlled entities and associates as at 31st March, 2023 which have incurred losses and carry an eroded net worth as at 31st March, 2023.
- h) Footnote (e) to Note 7 of the consolidated financial statements regarding non-receipt of financial statements of one of its partnership firm & one of its associate for year ended 31st March, 2023. In the opinion of management share of profit/ (loss) of such partnership will not have any material impact on the financial statements.
- i) Further attention is drawn to footnote (h) of Note 7 in respect of investment made by the parent company in deep discount bonds of amounting to ₹ 97412.85 lakhs in a Joint venture with negative net worth, the management of both parties have mutually agreed that Hubtown Limited shall not charge/ claim any interest on the outstanding amount of ₹ 97412.85 lakhs till such time the company receives commencement certificate for development of the project.

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 that there is one key audit matters to communicate in our audit report.

| Key Audit Matter | How the matter was addressed in our audit |
|---|--|
| <p>I. Revenue recognition for real estate projects</p> <p>The Company applies Ind AS 115 "Revenue from contracts with customers" for recognition of revenue from real estate projects, which is being recognised at a point in time upon the Company satisfying its performance obligation and the customer obtaining control of the underlying asset.</p> <p>Considering application of Ind AS 115 involves significant judgment in identifying performance obligations and determining when 'control' of the asset underlying the performance obligation is transferred to the customer, the same has been considered as key audit matter.</p> | <p>I. Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Read the Company's revenue recognition accounting policies and assessed compliance of the policies with Ind AS 115. • Obtained and understood revenue recognition process including identification of performance obligations and determination of transfer of control of the asset underlying the performance obligation to the customer. • Read the legal opinion obtained by the Company to determine the point in time at which the control is transferred in accordance with the underlying agreements. • Tested, revenue related transactions with the underlying customer contracts, sale deed and handover documents, evidencing the transfer of control of the asset to the customer based on which revenue is recognised. • Assessed the revenue-related disclosures included in Note 24 to the standalone Ind AS financial statements in accordance with the requirements of Ind AS 115. |

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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 is 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 Standards on Auditing (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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

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 have not audited the annual financial statements of two subsidiaries included in the Statement whose financial information (before eliminating inter-company balances/ transactions) reflects total assets of ₹ 86498 lakhs, financial assets of ₹ 11394 lakhs as at 31st March, 2023 and total revenue of ₹ 9301 lakhs, total net profit after tax of ₹ 805 lakhs, total comprehensive profit of ₹ 485 lakhs and cash inflow (net) of ₹ 1199 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 NIL and total comprehensive profit/(loss) of NIL lakhs (before eliminating inter-company transactions) for the year ended 31st March, 2023 in respect of one joint ventures not audited by us. Further we also did not audit the financial of one associate 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 the 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.

The Statement also includes financial statements of six subsidiaries whose financial information (before eliminating inter-company balances/ transactions) reflects total assets of ₹ 53387 lakhs, financial assets of ₹ 22376 lakhs as at 31st March, 2023 and total revenue of ₹ 4501 lakhs, total net profit after tax of ₹ 3886 lakhs, total comprehensive profit of ₹ 3872 lakhs and cash outflow (net) of ₹ 84 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 (1467) Lakhs and total comprehensive profit/(loss) of (1481) lakhs for the year ended 31st March, 2023 as considered in the statement in respect of six joint ventures. Further, the statement also includes financial information of one associate, whose aggregate share of net profit amount to ₹ 680 Lakhs included in the consolidated financial statements. The financial information has been furnished to us by the holding company's management and our opinion on the statements, 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.

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.

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:

- a) 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;
- b) 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;
- c) 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;
- d) Except for the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;
- e) 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, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate Report in Annexure B"; and

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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:
- i. 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;
 - ii. 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 31st March, 2023 for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint venture companies during the year ended 31st March 2023.
 - iv.
 - (a). The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b). The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c). Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Final dividend paid or declared for the previous year is in accordance with section 123 of the Act to the extent it applies for the payment of dividend.
 - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

FOR **JBTM & ASSOCIATES LLP**
Firm Registration No.: W100365
Chartered Accountants

Place : Mumbai
Date : May 29,2023

DHAIRYA BHUTA
Partner Membership No.: 168952
UDIN: 23168889BGYGEK1718

INDEPENDENT AUDITOR'S REPORT (CONTD.)

ANNEXURE "A " REFERRED TO IN OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF HUBTOWN LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023;

Subsidiary Company

- Citywoods 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
- Ackruti Safeguard System Private Limited
- Gujarat Akruiti — TCG Biotech Limited
- Rubix Trading Private Limited

Associates

- Shubhsidhhi Builders Private Limited
- Whitebud Developers Limited
- Giraffe Developers Private Limited
- SHK Hotels and Hospitality Private Limited

Joint Ventures

- 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 Townships Private Limited
- Joyous Housing Limited

FOR **JBTM & ASSOCIATES LLP**
Firm Registration No.: W100365
Chartered Accountants

Place : Mumbai
Date : May 29,2023

DHAIRYA BHUTA
Partner Membership No.: 168952
UDIN: 23168889BGYGEK1718

INDEPENDENT AUDITOR'S REPORT (CONTD.)

ANNEXURE "B" REFERRED TO IN OUR INDEPENDENT AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF HUBTOWN LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023;

Report on the Internal Financial Controls under Clause (f) 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, 2023, 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 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 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.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Other Matters

We have not audited the annual financial statements of two subsidiaries included in the Statement whose financial information (before eliminating inter-company balances/ transactions) reflects total assets of ₹ 86498 lakhs, financial assets of ₹ 11394 lakhs as at 31st March, 2023 and total revenue of ₹ 9301 lakhs, total net profit after tax of ₹ 805 lakhs, total comprehensive profit of ₹ 485 lakhs and cash inflow (net) of ₹ 1199 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 NIL and total comprehensive profit/(loss) of NIL lakhs (before eliminating inter-company transactions) for the year ended 31st March, 2023 in respect of one joint ventures not audited by us. Further we also did not audit the financial of one associate 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 the 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.

The Statement also includes financial statements of six subsidiaries whose financial information (before eliminating inter-company balances/ transactions) reflects total assets of ₹ 53387 lakhs, financial assets of ₹ 22376 lakhs as at 31st March, 2023 and total revenue of ₹ 4501 lakhs, total net profit after tax of ₹ 3886 lakhs, total comprehensive profit of ₹ 3872 lakhs and cash outflow (net) of ₹ 84 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 (1467) Lakhs and total comprehensive profit/(loss) of (1481) lakhs for the year ended 31st March, 2023 as considered in the statement in respect of six joint ventures. Further, the statement also includes financial information of one associate, whose aggregate share of net profit amount to ₹ 680 Lakhs included in the consolidated financial statements. The financial information has been furnished to us by the holding company's management and our opinion on the statements, 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.

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor, as referred to in Other Matter paragraph below, the Holding Company and its subsidiary company incorporated in India, have in all material respects, adequate internal financial controls over financial reporting with reference to the Financial Statements and such controls were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India, as aforesaid considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

FOR **JBTM & ASSOCIATES LLP**
Firm Registration No.: W100365
Chartered Accountants

Place : Mumbai
Date : May 29,2023

DHAIRYA BHUTA
Partner Membership No.: 168952
UDIN: 23168889BGYGEK1718

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

| Particulars | Note | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|------|---|---|
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Property, plant and equipment | 4 | 2,204.43 | 2,320.13 |
| (b) Capital work-in-progress | 4 | 1,666.87 | 1,666.87 |
| (c) Investment properties | 5 | 3,302.89 | 3,454.07 |
| (d) Goodwill on consolidation | | 933.59 | 993.05 |
| (e) Intangible assets | 6 | 160.74 | 136.91 |
| (f) Financial assets | | | |
| (i) Investments | 7 | 1,12,307.29 | 1,23,054.51 |
| (ii) Loans | 9 | 15,754.84 | 15,606.43 |
| (iii) Other financial assets | 10 | 847.76 | 535.38 |
| (g) Current tax assets (Net) | 11 | 1,785.48 | 1,452.58 |
| (h) Deferred tax assets (Net) | 12 | 4,827.18 | 1,644.30 |
| (i) Other non-current assets | 13 | 639.85 | 633.14 |
| Total Non-Current Assets | | 1,44,430.92 | 1,51,497.37 |
| Current Assets | | | |
| (a) Inventories | 14 | 2,01,412.65 | 2,07,873.28 |
| (b) Financial assets | | | |
| (i) Investments | 7 | 80.76 | 80.29 |
| (ii) Trade receivables | 8 | 20,250.31 | 24,401.95 |
| (iii) Cash and cash equivalents | 15 | 4,161.25 | 3,595.40 |
| (iv) Bank balances other than (iii) above | 16 | 2,092.80 | 1,920.06 |
| (v) Loans | 9 | 5,442.78 | 9,707.58 |
| (vi) Other financial assets | 10 | 66,383.75 | 63,295.98 |
| (c) Other current assets | 13 | 6,163.43 | 7,825.52 |
| Total Current Assets | | 3,05,987.73 | 3,18,700.06 |
| TOTAL ASSETS | | 4,50,418.65 | 4,70,197.43 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 17 | 7,633.59 | 7,273.59 |
| (b) Other equity | 18 | 1,22,931.45 | 1,21,641.93 |
| Equity attributable to the Owners of the Parent | | 1,30,565.04 | 1,28,915.52 |
| Non-Controlling Interest | | 2,307.81 | 1,853.38 |
| TOTAL EQUITY | | 1,32,872.85 | 1,30,768.90 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 3,064.20 | 21,582.46 |
| (ii) Lease Liability | | 137.60 | 118.44 |
| (iii) Other Financial Liabilities | 20 | 6,152.16 | 6,755.03 |
| (b) Provisions | 21 | 91.14 | 211.61 |
| (c) Deferred Tax Liabilities | 12 | 46.62 | 6.90 |
| Total Non-Current Liabilities | | 9,491.72 | 28,674.44 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 83,124.10 | 46,235.54 |
| (ii) Lease Liability | | 25.63 | 20.05 |
| (iii) Trade payables | 22 | | |
| — due to MSME | | 1,596.35 | 1,889.40 |
| — due to Other | | 16,647.60 | 17,979.90 |
| (iv) Other financial liabilities | 20 | 1,22,270.04 | 1,52,145.97 |
| (b) Other current liabilities | 23 | 83,969.91 | 92,225.44 |
| (c) Provisions | 21 | 406.83 | 244.17 |
| (d) Current Tax Liabilities | 11 | 13.62 | 13.62 |
| Total Current Liabilities | | 3,08,054.08 | 3,10,754.09 |
| Total Liabilities | | 3,17,545.80 | 3,39,428.53 |
| TOTAL EQUITY AND LIABILITIES | | 4,50,418.65 | 4,70,197.43 |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGEK1718
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

| Particulars | Note | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|------|---|---|
| I INCOME | | | |
| Revenue from Operations | 24 | 31,908.61 | 19,027.93 |
| Other Income | 25 | 1,690.79 | 2,391.32 |
| TOTAL INCOME | | 33,599.40 | 21,419.25 |
| II EXPENSES | | | |
| Costs Of Construction / Development | 26 | 17,284.16 | 25,502.06 |
| Purchase of Stock-in-Trade | | 1,135.20 | 648.27 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 27 | (4,454.50) | (19,818.36) |
| Employee Benefits Expense | 28 | 1,747.81 | 1,584.81 |
| Finance Costs | 29 | 9,406.22 | 8,736.19 |
| Depreciation and Amortisation Expenses | 30 | 318.62 | 388.78 |
| Other Expenses | 31 | 8,767.63 | 17,071.25 |
| TOTAL EXPENSES | | 34,205.14 | 34,113.00 |
| Profit/(Loss) before Tax | | (605.74) | (12,693.75) |
| Exception Items (Net off tax) | | | |
| Tax Expense | | | |
| (a) Current Tax | | — | — |
| (b) Deferred tax (charge) / credit | | 3,188.86 | (417.64) |
| (c) Excess / (Short) provision for taxation in respect of earlier years | | 45.42 | 91.00 |
| Profit / (Loss) after tax and before adjustments | | 3,234.28 | (326.64) |
| Profit/ (Loss) after tax but before adjustments | | 2,628.54 | (13,020.39) |
| Goodwill on consolidation adjusted | | (59.46) | — |
| Share Of Profit /(Loss) From Associate / JV using equity method | | 481.17 | 179.22 |
| Profit / (Loss) for the year | | 3,050.25 | (12,841.17) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to profit or loss | | | |
| Share of OCI from Associates / JVs | | (11.51) | (1.16) |
| Remeasurement of the net defined benefit liability / asset | | (244.35) | 397.41 |
| Total other Comprehensive Income | | (255.86) | 396.25 |
| Total Comprehensive Income/(Loss) for the year | | 2,794.39 | (12,444.92) |
| Total Comprehensive Income/(Loss) for the year attributable to: | | | |
| Non controlling interest | | 161.48 | (235.71) |
| Owners of the parent | | 2,632.91 | (12,209.21) |
| Earning per equity share of nominal value of ₹ 10/- each (in Rupees) | 32 | | |
| Basic and Diluted | | 4.16 | (17.33) |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGEK1718
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

| Particulars | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| [A] CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | (605.74) | (12,693.75) |
| Adjustments for: | | |
| Depreciation/Amortisation/Impairment of Property, Plant and Equipments and Intangible Assets | 318.62 | 388.78 |
| Interest income on financial assets / liabilities measured at fair value | (1,375.91) | (1,146.80) |
| Interest Income | (254.72) | (259.32) |
| Interest Expenses | 7,839.30 | 6,795.86 |
| Interest expense on financial liabilities measured at fair value | 1,541.33 | 1,888.75 |
| (Profit)/Loss on sale of Investments (Net) | — | (4.82) |
| Advance written off recovered | (13.00) | (502.48) |
| Provision for Doubtful Receivables/Advances/Sundry balances written off | 198.54 | 9,005.43 |
| Provision/Advances/Sundry Balances written back | (165.38) | (459.72) |
| Income on account of OTS | — | — |
| Loss on account for diminution in value of Inventories | — | — |
| Provision for doubtful debts | 593.90 | 139.78 |
| (Profit)/Loss on sale of Property, Plant and Equipments (Net) | (29.18) | (25.62) |
| Property, Plant and Equipments written off/discarded | — | — |
| Investment written off | — | 1,701.84 |
| Interest expense on account of Right to use | 25.36 | 51.58 |
| Share of Profit / (Loss) from investment in partnership firms and JVs | (2.73) | (5.80) |
| Remeseasurement of the net defined benefit liability / asset | — | — |
| Unwinding of financial asset | (61.60) | (54.15) |
| Operating Profit/(Loss) before changes in working capital | 8,008.79 | 4,819.56 |
| Adjustment for (Increase)/Decrease in Operating Assets | | |
| Adjustments for decrease (increase) in inventories | 2,885.28 | (16,045.74) |
| Adjustments for decrease (increase) in trade receivables, current | 4,151.95 | (7,218.99) |
| Adjustments for decrease (increase) in other current assets | 1,662.51 | 7,352.04 |
| Adjustments for decrease (increase) in other non-current assets | (6.86) | 2,536.40 |
| Adjustments for other financial assets, non-current | (309.78) | (86.27) |
| Adjustments for other financial assets, current | (3,981.01) | (871.38) |
| Adjustment for Increase/(Decrease) in Operating Liabilities | | |
| Adjustments for increase (decrease) in trade payables, current | (1,458.62) | 1,030.54 |
| Adjustments for increase (decrease) in other current liabilities | (8,257.46) | 17,843.23 |
| Adjustments for provisions, current | 162.83 | 11.88 |
| Adjustments for provisions, non-current | (376.61) | 7.29 |
| Adjustments for other financial liabilities, current | (2,197.15) | (6,954.23) |
| Adjustments for other financial liabilities, non-current | (603.01) | 119.16 |
| Cash flow from operations after changes in working capital | (319.14) | 2,543.49 |
| Net Direct Taxes (Paid)/Refunded | (240.65) | (179.51) |
| Net Cash Flow from/(used in) Operating Activities | (559.79) | 2,363.98 |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| Particulars | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| [B] CASH FLOW FROM INVESTING ACTIVITIES | | |
| Other cash receipts from sales of equity or debt instruments of other entities | 11,292.58 | 2,384.88 |
| Other cash payments to acquire equity or debt instruments of other entities | — | (8.58) |
| Other cash receipts from sales of interests in joint ventures | — | — |
| Other cash payments to acquire interests in joint ventures | — | — |
| Proceeds from sales of property, plant and equipment | (1.13) | 34.62 |
| Purchase of property, plant and equipment | — | (78.39) |
| Proceeds from sales of investment property | — | 13.08 |
| Proceeds from sales of intangible assets | (24.20) | — |
| Cash receipts from repayment of advances and loans made to other parties | 4,177.61 | 102.34 |
| Interest received | 365.53 | 284.77 |
| Bank Balances not considered as Cash and Cash Equivalents | (172.95) | (303.70) |
| Net Cash Flow from/(used in) Investing Activities | 15,637.44 | 2,429.02 |
| [C] CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 129.00 | 4,978.92 |
| Repayments of borrowings | (8,601.33) | (4,881.35) |
| Payments of finance lease liabilities | (80.85) | (155.11) |
| Interest paid | (8,550.92) | (5,774.55) |
| Issue of Share Warrant | 540.00 | — |
| Issue of Share Capital | 2,052.41 | — |
| Net Cash Flow from/(used in) Financing Activities | (14,511.69) | (5,832.09) |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | 565.95 | (1,039.11) |
| Cash & Cash Equivalents at beginning of period | 3,595.40 | 4,634.51 |
| Cash and Cash Equivalents at end of period | 4,161.25 | 3,595.40 |
| Notes: | | |
| 1 Cash and Cash equivalents comprise of: | | |
| Cash on Hands | 32.07 | 42.76 |
| Balance with Banks | 3,964.09 | 3,179.14 |
| Short-term investment | 165.09 | 373.50 |
| Cash and Cash equivalents | 4,161.25 | 3,595.40 |
| 2 Figures of the previous year have been regrouped / reclassified wherever necessary. | | |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGEK1718
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. EQUITY SHARE CAPITAL

(1) Current reporting period

(₹ in lakhs)

| Balance at the beginning of the current reporting period | changes in Equity share capital due to prior period items | Related balance at the beginning of the current reporting period | Changes in Equity share capital during the current year | Balance at the end of the current reporting period |
|--|---|--|---|--|
| 7,273.59 | — | — | 360.00 | 7,633.59 |

(2) Previous reporting period

(₹ in lakhs)

| Balance at the beginning of the Previous reporting period | changes in Equity share capital due to prior period items | Related balance at the beginning of the Previous reporting period | Changes in Equity share capital during the Previous year | Balance at the end of the Previous reporting period |
|---|---|---|--|---|
| 7,273.59 | — | — | — | 7,273.59 |

B. OTHER EQUITY AND CONVERTIBLE INSTRUMENTS

Amount (₹ in lakhs)

| | Reserves and Surplus | | | | | | | Non Controlling Interest | Total |
|--------------------------------------|---|--|----------------------------|------------------------------|-----------------|-----------------|---|--------------------------|--------------------|
| | Share Application money pending allotment | Equity component of compound financial instruments | Securities Premium reserve | Debenture Redemption Reserve | General reserve | Capital Reserve | Retained Earnings (Refer Footnote b to Note 18) | | |
| Balance at 31st March, 2021 | — | — | 67,225.30 | 2,459.15 | 31,987.06 | 2,704.42 | 29,310.06 | 2,089.09 | 1,35,775.08 |
| Profit / (Loss) for the year | — | — | — | — | — | — | (12,605.46) | (235.71) | (12,841.17) |
| Prior Period Adjustments | — | — | — | — | — | — | (54.30) | — | (54.30) |
| Transfer (to)/from General Reserve | — | — | — | (2,459.15) | 2,459.15 | — | — | — | — |
| Other Comprehensive Income: | — | — | — | — | — | — | — | — | — |
| Remeasurement of net defined benefit | — | — | — | — | — | — | 396.25 | — | 396.25 |
| Any other changes | — | — | — | — | — | — | — | — | — |
| Balance at 31st March, 2022 | — | — | 67,225.30 | — | 34,446.21 | 2,704.42 | 17,046.55 | 1,853.38 | 1,23,275.84 |
| Profit / (Loss) for the year | — | — | — | — | — | — | 2,888.77 | 161.48 | 3,050.25 |
| Prior Period Adjustments | — | — | — | — | — | — | (3,575.39) | 292.95 | (3,282.44) |
| Transfer (to)/from General Reserve | — | — | — | — | — | — | — | — | — |
| Other Comprehensive Income: | — | — | — | — | — | — | — | — | — |
| Remeasurement of net defined benefit | — | — | — | — | — | — | (255.86) | — | (255.86) |
| Any other changes | — | — | — | — | — | — | — | — | — |
| Balance at 31st March, 2023 | — | — | 67,225.30 | — | — | — | 16,104.07 | 2,307.81 | 1,22,787.79 |

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGEK1718
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

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 29th May, 2023.

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, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (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 judgments, 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 inventories. 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 properties 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.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

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 investments are measured at cost / carrying value. The Company has performed valuation for its investments in equity of subsidiaries, associates and JVs for assessing whether there is any impairment. In case of impairment the fair value of investments is determined. Where the fair value of investments in 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, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (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:

Revenue is recognized upon transfer of control of residential/commercial units to customers, of an amount that reflects the transaction price. Transaction price is the amount that reflects the consideration the Company expects to receive in exchange for those 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 recognizes revenue at a point in time i.e., upon giving possession 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 recognize revenue at an amount that reflects the transaction price of the transferred residential/commercial unit.

The transaction price of goods sold or services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract".

In arrangements for sale of units the Company has applied the guidance in IND AS 115, on "Revenue from contracts with customers", by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering sale of units as distinct performance obligations.

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 land and development rights, 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 when the right to receive/liability to pay the same is established 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

- 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.

V. Investment property and depreciation / amortisation

- A. 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.
- B. Depreciation on Investment Property 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.
- C. Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

VI. Intangible assets and amortisation

- A. 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.
- B. The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

VII. 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 recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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. 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.

b) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through Other Comprehensive Income (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 Fair Value Through Profit & Loss (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 FVPL, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

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.

VIII. 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 IndAS 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.

IX. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

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.

X. 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.

XI. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

- E. Finished properties Valued at lower of cost or net realizable value.
- F. Development rights represent amount paid under agreement to purchase land/ development rights and borrowing cost incurred by the Company to acquire irrevocable and exclusive licenses/ development rights in the identified land and constructed properties, the acquisition of which is either completed or is at an advanced stage. These are valued at lower of cost and net realisable 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.

XII. 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.

XIII. 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.

XIV. 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.

XV. Borrowings and Borrowing costs

Borrowing 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 statment of profit and loss over ther 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY (Contd.)

XVI. 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.

XVII. 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.

XVIII. 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.

XIX. 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.

XX. 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.

XXI. 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.

XXII. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 3.1. ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

| Sr. No. | Name of the Entities | 31st March, 2023 | | | | | | | |
|---------|---|--|---------------------|-------------------------------|---------------------|-------------------------------------|---------------------|--|---------------------|
| | | 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 | 114.77 | 1,43,740.38 | 35.43 | 1,080.83 | 28.33 | (72.50) | 36.08 | 1,008.34 |
| | Subsidiaries | | | | | | | | |
| 1 | Ackruti Safeguard Systems Private Limited | (0.56) | (700.03) | (0.33) | (10.20) | — | — | (0.36) | (10.20) |
| 2 | Citygold Education Research Limited | (1.90) | (2,383.03) | (7.92) | (241.51) | 7.84 | (20.06) | (9.36) | (261.57) |
| 3 | Citywood Builders Private Limited | (1.61) | (2,014.04) | 135.25 | 4,126.28 | — | — | 147.64 | 4,126.28 |
| 4 | Diviniti Projects Private Limited | 0.41 | 509.06 | 0.00 | 0.02 | — | — | 0.00 | 0.02 |
| 5 | Gujarat Akruiti—TCG Biotech Limited | 0.95 | 1,189.83 | (0.49) | (14.95) | — | — | (0.54) | (14.95) |
| 6 | Joynest Premises Private Limited | 6.81 | 8,531.61 | 26.18 | 798.64 | 59.33 | (151.79) | 23.14 | 646.85 |
| 7 | Vama Housing Limited | (0.23) | (286.10) | (0.16) | (4.99) | — | — | (0.18) | (4.99) |
| 8 | Vega Developers Private Limited | 0.22 | 271.81 | (0.07) | (2.22) | — | — | (0.08) | (2.22) |
| 9 | Vishal Techno Commerce Limited | 1.52 | 1,900.29 | 1.44 | 43.83 | — | — | 1.57 | 43.83 |
| 10 | Yantti Buildcon Private Limited | (0.05) | (59.02) | (1.00) | (30.51) | — | — | (1.09) | (30.51) |
| 11 | Sanas developers private Limited (Upto 24th August, 2022) | (0.31) | (390.91) | 8.51 | 259.70 | — | — | 9.29 | 259.70 |
| 12 | Rubix Trading Private Limited | (0.01) | (9.99) | 0.85 | 25.92 | — | — | 0.93 | 25.92 |
| | Joint Venture | | | | | | | | |
| 13 | Hubtown Bus Terminal (Adajan) Private Limited | — | — | (1.95) | (59.47) | — | — | (2.13) | (59.47) |
| 14 | Hubtown Bus Terminal (Ahmedabad) Private Limited | 1.32 | 1,649.24 | 0.53 | 16.23 | 3.58 | (9.15) | 0.25 | 7.08 |
| 15 | Hubtown Bus Terminal (Mehsana) Private Limited | 0.72 | 906.10 | (0.30) | (9.29) | 0.57 | (1.46) | (0.38) | (10.75) |
| 16 | Hubtown Bus Terminal (Vadodara) Private Limited | 0.39 | 490.52 | (1.07) | (32.79) | 0.35 | (0.90) | (1.21) | (33.69) |
| 17 | Joyous Housing Limited | — | — | — | — | — | — | — | — |
| 18 | Rare Townships Private Limited | 3.37 | 4,216.44 | (3.66) | (111.73) | — | — | (4.00) | (111.73) |
| 19 | Sunstream City Private Limited | — | — | — | — | — | — | — | — |
| | Associates | | | | | | | | |
| 20 | Shubhsiddhi Builders Private Limited | — | — | — | — | — | — | — | — |
| 21 | Vinca Developer Private Limited | — | — | — | — | — | — | — | — |
| 22 | SHK Hotels And Hospitality Private Limited | — | — | — | — | — | — | — | — |
| 23 | Whitebud Developers Limited | — | — | — | — | — | — | — | — |
| 24 | Giraffe Developers Private Limited | 19.85 | 24,859.34 | 46.43 | 1,416.53 | — | — | 50.68 | 1,416.53 |
| | Firms | | | | | | | | |
| 25 | Akruti GM JV | 3.38 | 4,234.15 | 0.05 | 1.47 | — | — | 0.05 | 1.47 |
| 26 | Shreenath Realtors | — | — | — | — | — | — | — | — |
| | Minority Interest in all subsidiary | 1.84 | 2,307.81 | (7.73) | (235.74) | — | — | (8.43) | (235.74) |
| | Inter company elimination and consolidation adjustmnts | (50.88) | (63,724.33) | (129.98) | (3,965.30) | — | — | (141.88) | (3,965.30) |
| | Total | 100.00 | 1,25,239.14 | 100.00 | 3,050.75 | 100.00 | (255.86) | 100.00 | 2,794.90 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 3.1. ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

| Sr. No. | Name of the Entities | 31st March, 2022 | | | | | | | |
|---------|---|--|------------------------|------------------------|------------------------|-------------------------------------|------------------------|-------------------------------------|------------------------|
| | | Net Assets (Total Assets - Total Liabilities) | | Share in profit/(loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
| | | As a % of consolidated | Amount (₹ in lakhs) | As a % of consolidated | Amount (₹ in lakhs) | As a % of consolidated | Amount (₹ in lakhs) | As a % of consolidated | Amount (₹ in lakhs) |
| | Parent | | | | | | | | |
| | Hubtown Limited | 107.17 | 1,40,140.03 | 94.14 | (12,088.82) | 102.25 | 405.16 | 93.88 | (11,683.66) |
| | Subsidiaries | | | | | | | | |
| 1 | Ackruti Safeguard Systems Private Limited | (0.65) | (855.66) | (2.01) | 258.28 | — | — | (2.08) | 258.28 |
| 2 | Citygold Education Research Limited | (1.63) | (2,132.95) | 0.19 | (24.78) | — | — | 0.20 | (24.78) |
| 3 | Citywood Builders Private Limited | (1.64) | (2,143.85) | 0.18 | (23.10) | — | — | 0.19 | (23.10) |
| 4 | Diviniti Projects Private Limited | 0.39 | 509.43 | 0.02 | (2.38) | — | — | 0.02 | (2.38) |
| 5 | Gujarat Akcruti-TCG Biotech Limited | 0.92 | 1,205.31 | 0.09 | (11.95) | — | — | 0.10 | (11.95) |
| 6 | Joynest Premises Private Limited | 6.03 | 7,884.75 | 4.43 | (568.28) | (1.96) | (7.75) | 4.63 | (576.04) |
| 7 | Vama Housing Limited | (0.22) | (281.31) | 0.03 | (3.74) | — | — | 0.03 | (3.74) |
| 8 | Vega Developers Private Limited | 0.21 | 274.03 | 0.02 | (2.63) | — | — | 0.02 | (2.63) |
| 9 | Vishal Techno Commerce Limited | 1.42 | 1,856.47 | 0.03 | (3.77) | — | — | 0.03 | (3.77) |
| 10 | Yantti Buildcon Private Limited | (0.02) | (31.20) | 0.02 | (2.95) | — | — | 0.02 | (2.95) |
| 11 | Sanas developers private Limited | (0.00) | (0.51) | 0.00 | (0.31) | — | — | 0.00 | (0.31) |
| 12 | Rubix Trading Private Limited | (0.03) | (35.81) | 0.01 | (1.85) | — | — | 0.01 | (1.85) |
| | Joint Venture | | | | | | | | |
| 13 | Hubtown Bus Terminal (Adajan) Private Limited | 0.05 | 68.18 | 0.37 | (47.39) | (0.07) | (0.26) | 0.38 | (47.65) |
| 14 | Hubtown Bus Terminal (Ahmedabad) Private Limited | 1.28 | 1,679.11 | (0.06) | 7.26 | (0.09) | (0.37) | (0.06) | 6.89 |
| 15 | Hubtown Bus Terminal (Mehsana) Private Limited | 0.70 | 916.85 | (0.37) | 47.35 | (0.13) | (0.53) | (0.38) | 46.82 |
| 16 | Hubtown Bus Terminal (Vadodara) Private Limited | 0.43 | 566.19 | (0.82) | 105.35 | — | — | (0.85) | 105.35 |
| 17 | Joyous Housing Limited | — | — | — | — | — | — | — | — |
| 18 | Rare Townships Private Limited | 3.30 | 4,309.47 | (0.59) | 75.39 | — | — | (0.61) | 75.39 |
| 19 | Sunstream City Private Limited | — | — | — | — | — | — | — | — |
| | Associates | | | | | | | | |
| 20 | Shubhsiddhi Builders Private Limited | — | — | — | — | — | — | — | — |
| 21 | Vinca Developer Private Limited | — | — | — | — | — | — | — | — |
| 22 | Whitebud Developers Limited | — | — | — | — | — | — | — | — |
| 23 | Giraffe Developers Private Limited | 4.11 | 5,380.62 | 0.07 | (8.72) | — | — | 0.07 | (8.72) |
| | Firms | | | | | | | | |
| 24 | Akruti GM JV | 0.00 | 0.01 | — | — | — | — | — | — |
| 25 | Shreenath Realtors | — | — | — | — | — | — | — | — |
| | Minority Interest in all subsidiary | 1.42 | 1,853.38 | 1.84 | (235.74) | — | — | 1.89 | (235.74) |
| | Inter company elimination and consolidation adjustments | (23.24) | (30,393.65) | 2.40 | (308.37) | — | — | 2.48 | (308.37) |
| | Total | 100.00 | 1,30,768.90 | 100.00 | (12,841.17) | 100.00 | 396.25 | 100.00 | (12,444.92) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 4. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(₹ in lakhs)

| Particulars | Freehold Land | Leasehold land | Commercial Premises | 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, 2021 | 2.92 | 1,818.01 | 349.54 | 26.11 | 163.02 | 853.06 | 568.89 | 472.18 | 4,253.73 | 1,665.44 |
| Additions | — | — | — | 9.94 | 3.23 | 19.96 | 20.07 | 1.34 | 54.53 | 1.43 |
| Additions(on account of Acquisition) | — | — | 14.96 | — | — | — | — | — | 14.96 | — |
| Disposals | — | — | — | (0.36) | — | — | — | — | (0.36) | — |
| Transfer to investment property | — | — | — | — | — | — | — | — | — | — |
| Balance at March 31, 2022 | 2.92 | 1,818.01 | 364.49 | 35.67 | 166.24 | 873.02 | 588.94 | 473.53 | 4,322.85 | 1,666.87 |
| Accumulated depreciation and impairment | | | | | | | | | | |
| Balance at March 31, 2021 | — | 30.46 | 163.13 | 24.51 | 96.16 | 765.72 | 346.28 | 451.74 | 1,878.01 | — |
| Eliminated on disposal of assets | — | — | — | (0.04) | — | — | — | — | (0.04) | — |
| Additional depreciation(on account of Acquisition) | — | — | 2.16 | — | — | — | — | — | 2.16 | — |
| Depreciation expense | — | 1.51 | 11.96 | 2.62 | 9.47 | 20.81 | 73.81 | 2.39 | 122.58 | — |
| Transfer to investment property | — | — | — | — | — | — | — | — | — | — |
| Balance at March 31, 2022 | — | 31.98 | 177.25 | 27.10 | 105.63 | 786.51 | 420.09 | 454.12 | 2,002.71 | — |
| Carrying amount as at 31st March 2022 | 2.92 | 1,786.04 | 187.24 | 8.58 | 60.61 | 86.51 | 168.85 | 19.39 | 2,320.13 | 1,666.87 |

| Particulars | Freehold Land | Leasehold land | Commercial Premises | 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, 2022 | 2.92 | 1,818.01 | 364.49 | 35.67 | 166.24 | 873.02 | 588.94 | 473.53 | 4,322.83 | 1,666.87 |
| Additions | — | — | — | 14.00 | — | 12.14 | 19.28 | 1.44 | 46.84 | — |
| Additions(on account of Acquisition) | — | — | — | — | — | — | — | — | (0.01) | — |
| Disposals (On account of Dilution) | — | — | — | (1.95) | (4.17) | — | (110.35) | — | (116.48) | — |
| Disposals | — | — | (14.96) | (6.38) | — | — | (59.79) | — | (81.14) | — |
| Transfer to investment property | — | — | — | — | — | — | — | — | — | — |
| Balance at March 31, 2023 | 2.92 | 1,818.01 | 349.52 | 41.33 | 162.06 | 885.16 | 438.08 | 474.97 | 4,172.04 | 1,666.87 |
| Accumulated depreciation and impairment | | | | | | | | | | |
| Balance at March 31, 2022 | — | 31.98 | 177.25 | 27.10 | 105.63 | 786.51 | 420.09 | 454.12 | 2,002.69 | — |
| Eliminated on disposal of assets | — | — | (4.87) | (6.38) | — | — | (52.81) | — | (64.06) | — |
| Additional depreciation(on account of Acquisition) | — | — | — | — | — | — | — | — | — | — |
| Eliminated on dilution of Subsidiary | — | — | — | (1.00) | (0.70) | — | (52.26) | — | (53.97) | — |
| Depreciation expense | — | 1.51 | 9.25 | 3.72 | 9.29 | 20.44 | 36.06 | 2.67 | 82.95 | — |
| Transfer to investment property | — | — | — | — | — | — | — | — | — | — |
| Balance at March 31, 2023 | — | 33.49 | 181.64 | 23.44 | 114.22 | 806.94 | 351.08 | 456.79 | 1,967.61 | — |
| Carrying amount as at 31st March 2023 | 2.92 | 1,784.52 | 167.88 | 17.90 | 47.84 | 78.22 | 87.00 | 18.18 | 2,204.43 | 1,666.87 |

Footnote

Commercial premises includes cost of shares aggregating to ₹ 0.01 lakhs (March 31, 2022: ₹ 0.01 lakhs) carrying the occupancy rights in the commercial premises.

4.1 Immovable Property

All title deeds of immovable property are in the name of the company except lease hold property.

4.2 Leased Assets

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

4.3 Ageing Schedule of Capital work in progress (CWIP):

(₹ in lakhs)

| CWIP (FY 2022-23) | Amount in CWIP for a Period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|-----------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in Progress | — | 1.43 | 3.77 | 197.48 | 202.68 |
| Projects Temporarily Suspended | — | — | — | 1,464.19 | 1,464.19 |
| Total | — | 1.43 | 3.77 | 1,661.67 | 1,666.87 |

| CWIP (FY 2021-22) | Amount in CWIP for a Period of | | | | Total |
|--------------------------------|--------------------------------|-------------|---------------|-------------------|-----------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in Progress | 1.43 | 3.77 | 239.50 | 1,422.17 | 1,666.87 |
| Projects Temporarily Suspended | — | — | — | — | — |
| Total | 1.43 | 3.77 | 239.50 | 1,422.17 | 1,666.87 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 5. INVESTMENT PROPERTY

| | (₹ in lakhs) |
|--|--------------|
| Completed investment properties | |
| Gross Carrying value (At Deemed Cost) | |
| Balance at 1st April, 2021 | 5,485.66 |
| Additions | |
| Disposals | (14.00) |
| Balance at 31st March, 2022 | 5,471.66 |
| Accumulated depreciation and impairment | |
| Balance at 1st April, 2021 | 1,871.45 |
| Additions | |
| Depreciation expense | 150.33 |
| Eliminated on disposal of assets | (4.19) |
| Balance at 31st March, 2022 | 2,017.59 |
| Net carrying value as on 31st March, 2022 | 3,454.07 |
| Gross Carrying value (At Deemed Cost) | |
| Balance at 1st April, 2022 | 5,471.66 |
| Additions | |
| Disposals | |
| Balance at 31st March, 2023 | 5,471.66 |
| Accumulated depreciation and impairment | |
| Balance at 1st April, 2022 | 2,017.59 |
| Additions | |
| Depreciation expense | 151.18 |
| Eliminated on disposal of assets | |
| Balance at 31st March, 2023 | 2,168.77 |
| Net carrying value as on 31st March, 2023 | 3,302.89 |

Footnote :

Investment Property includes cost of shares aggregating Rs. 0.03 lakh (March 31, 2022: Rs.0.03 lakh) carrying the occupancy rights.

| 5.1 | Amounts recognised in profit and loss for investment properties | 31st March, 2023 | 31st March, 2022 |
|------------|---|--------------------------------|--------------------------------|
| | Particulars | | |
| | Rental Income | 443.77 | 513.07 |
| | Direct operating expenses from property | — | — |
| | Profit from Investment properties before depreciation | 443.77 | 513.07 |
| | Depreciation | 147.91 | 146.40 |
| | Profit from Investment properties | 295.86 | 366.67 |
| | Rental Income from others | 13.54 | 13.07 |
| 5.2 | Leasing Arrangements | | |
| | Certain investment properties are leased to tenants. Minimum lease payments receivable are as follows. | 31st March, 2023 | 31st March, 2022 |
| | Within one year | 272.04 | 462.86 |
| | Later than one but not later than 5 years | 330.15 | 639.14 |
| | Later than 5 years | — | — |
| 5.3 | Investment property pledged as security | | |
| | Leasehold Land and Commercial properties with a carrying amount of ₹ 3,273.21 lakhs (As at 31st March, 2022: ₹ 3,419.34 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 | 13,400.00 | Independent Valuers Report |
| | Others | 2,729.77 | Stamp Duty Ready Reckoner Rate |

The fair value of Mahalaxmi Car Park is based on independent valuer's report dated 3rd Oct, 2022. The Company has not determined the fair value of the other properties from any independent valuer as at 31st March, 2023. Instead, the values disclosed above are based on ready reckoner rate of the said properties for the year ended 31st March, 2023 duly published by the Government of Maharashtra.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 6. INTANGIBLE ASSETS

(₹ in lakhs)

| Particulars | Technical Know-how | Computer software | Lease Assets (Right to Use Asset) (Refer Footnote a to g) | Total |
|--|--------------------|-------------------|---|----------|
| Gross Carrying Value (At Deemed Cost) | | | | |
| Balance at 1st April, 2021 | 74.55 | 535.76 | 100.58 | 175.13 |
| Additions | — | — | 233.32 | 233.32 |
| Disposals | — | — | (100.58) | (100.58) |
| Balance at 31st March, 2022 | 74.55 | 535.76 | 233.32 | 307.87 |
| Accumulated depreciation | | | | |
| Balance at 1st April, 2021 | 55.09 | 535.76 | 97.57 | 152.66 |
| Eliminated on disposal of assets | — | — | (97.57) | (97.57) |
| Depreciation expense | 3.64 | — | 112.23 | 115.87 |
| Balance at 31st March, 2022 | 58.73 | 535.76 | 112.23 | 170.96 |
| Net carrying value as at 31st March, 2022 | 15.82 | — | 121.09 | 136.91 |
| Gross Carrying Value (At Deemed Cost) | | | | |
| Balance at 1st April, 2022 | 74.55 | 535.76 | 233.32 | 307.87 |
| Additions | — | — | 229.29 | 229.29 |
| Disposals | — | — | (233.21) | (233.21) |
| Balance at 31st March, 2023 | 74.55 | 535.76 | 229.40 | 303.96 |
| Accumulated depreciation | | | | |
| Balance at 1st April, 2022 | 58.73 | 535.76 | 112.23 | 170.96 |
| Eliminated on disposal of assets | — | — | (112.23) | (112.23) |
| Depreciation expense | 3.64 | — | 80.85 | 84.49 |
| Balance at 31st March, 2023 | 62.37 | 535.76 | 80.84 | 143.22 |
| Net carrying value as at 31st March, 2023 | 12.18 | — | 148.56 | 160.74 |

Footnotes:

- a) The weighted average incremental borrowing rate of 20% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.
- b) This has resulted in recognising a right-to-use asset of ₹ 229.41 lakhs and a corresponding lease liability of ₹ 229.41 lakhs.
- c) The Group's leases mainly comprise of Premises taken on lease.
- d) Excluded the initial direct costs from the measurement of the Right-Of-Use (ROU) asset at the date of initial application.
- e) The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.
- f) During the year group has recognised operating lease expenses as amortisation of Right-of-Use Assets and finance cost as compared to lease rent expenses in earlier years as per operating lease.
- g) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 7. INVESTMENTS

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| Non Current | | |
| A) Investment in equity instruments (Unquoted) (Carried at deemed cost) | | |
| I) Joint Ventures | | |
| a) 50,000 (As at March 31, 2022: 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, 2022: 1,00,000) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Mehsana) Private Limited | 901.10 | 911.85 |
| c) 50,000 (As at March 31, 2022: 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, 2022: 1,15,275) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Vadodara) Private Limited | 485.52 | 561.19 |
| e) 50,000 (As at March 31, 2022: 50,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Adajan) Private Limited | — | 5.00 |
| f) 1,15,463 (As at March 31, 2022: 1,15,463) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Adajan) Private Limited | — | 68.18 |
| g) 10,000 (As at March 31, 2022: 10,000) (Class 'A') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Ahmedabad) Private Limited (Refer note g) | 1,647.99 | 1,677.86 |
| h) 15,000 (As at March 31, 2022: 15,000) (Class 'C') Equity shares of ₹ 10/- each Hubtown Bus Terminal (Ahmedabad) Private Limited | 1.25 | 1.25 |
| j) 28,37,270 (As at March 31, 2022: 28,37,270) (Class 'A') Equity shares of ₹ 10/- each Rare Townships Private Limited (Refer note g) | — | — |
| k) 4,25,000 (As at March 31, 2022: 4,25,000) (Class 'B') Equity shares of ₹ 10/- each Rare Townships Private Limited (Refer note g) | 4,217.05 | 4,309.47 |
| l) 25,000 (As at March 31, 2022: 25,000) Equity shares of ₹ 100/- each Joyous Housing Limited (Refer Note 1B(iv)) | — | — |
| m) 1,22,000 (As at March 31, 2022: 122,000) Equity shares of ₹ 10/- each Sunstream City Private Limited [Refer Note 1B(iv)] | — | — |
| | 7,262.91 | 7,544.80 |
| II) Associate Companies | | |
| a) 26,000 (As at March 31, 2022: Nil) Equity shares of ₹ 10 /- each SHK Hotels And Hospitality Private Limited | 2.60 | — |
| b) 5,000 (As at March 31, 2022: 5,000) Equity shares of ₹ 10 /- each Shubhsiddhi Builders Private Limited (Refer Note 1B(iv)) | — | — |
| c) 6,095 (As at March 31, 2022: 6,095) (Class 'A') Equity shares of ₹ 10 /- each Vinca Developer Private Limited [Refer Note 1B(iv)] (Upto 01st June, 2022) | — | — |
| d) 7353 (As at March 31, 2022: 7353) (Class 'B') Equity Shares of ₹ 10 /- each Giraffe Developers Private Limited | 6,421.33 | 5,380.62 |
| | 6,423.93 | 5,380.62 |
| III) Others | | |
| a) 240 (As at March 31, 2022: 240) Equity shares of ₹ 100/- each Citygold Management Services Private Limited | — | 0.24 |
| b) 37,815 (As at March 31, 2022: 37,815) Equity shares of ₹ 10/- each Janakalyan Sahakari Bank Limited | 3.78 | 3.78 |
| c) 125 Equity shares of ₹ 25/- each (PY : 125) Shamrao Vithal Co-operative Bank Limited (at FVPL) (Refer footnote a) | 0.71 | 0.71 |
| d) 2,000 Equity shares of ₹ 10/- each (PY: 2,000) Suraksha Realty Limited (at FVPL) (Refer footnote a) | 37.13 | 37.13 |
| e) 6,095 (As at March 31, 2022: Nil) (Class 'A') Equity shares of ₹ 10 /- each Vinca Developer Private Limited | 0.61 | — |
| Less: Provision for diminution in the value of investments | (0.61) | — |
| | 41.62 | 41.86 |
| B) i. Investment in Preference Shares (Unquoted) | | |
| a) 13 (As at March 31, 2022 : 13) 10% Non Cumulative Redeemable Preference Shares of ₹ 10 /- each Citygold Education Research Limited | — | — |
| b) 10,000 (As at March 31, 2022: 10,000) 21% Non Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each E Commerce Magnum Solutions Limited | 1.00 | 1.00 |
| | 1.00 | 1.00 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 7. INVESTMENTS (Contd.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| C) i. Investment in Debentures (Unquoted) | | |
| 1,47,20,000 (As at March 31, 2022: 1,47,20,000) 9% Optionally convertible debentures of ₹ 10/- each | | |
| Asmeeta Infratech Limited (Refer Footnote b) | 454.70 | 519.18 |
| ii. Investment in Bonds (At Ammortised Cost) (Quoted) | | |
| 39,13,310 (As at March 31, 2022: 39,13,310) Deep Discount Bonds, issued @ ₹ 2090/- of face value ₹ 10,000 [Tenure of 9 Years] [Refer footnote (h)] | | |
| Sunstream City Private Limited (Joint venture) | 97,412.85 | 97,412.85 |
| | 97,867.55 | 97,932.03 |
| D) Capital Investment in Partnership Firms | 700.00 | 700.00 |
| E) Non Controlling Capital Investment in Partnership Firms (Refer Footnote e) | 10.28 | 11,454.20 |
| Total Non Current Investments (A+B+C+D+E) | 1,12,307.29 | 1,23,054.51 |
| Aggregate amount of quoted investments | 97,413 | 97,413 |
| Aggregate amount of unquoted investments | 14,894 | 25,642 |
| Aggregate provision for diminution in value of investments: | 0.61 | — |
| 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, 2022: 246.52 units) Indiabulls Liquid fund Direct Plan (Growth) [NAV ₹ 2182.611 per unit (As at March 31, 2022 ₹ 2069.394 per unit)] | 5.38 | 5.10 |
| (ii) (State Bank of India Mutual Fund : 27.752 (P.Y.: 26.419) Units of ₹ 1675.03/- each) [NAV ₹ 1675.03 per unit (As at March 31, 2022: ₹ 1675.03 per unit)] | 0.47 | 0.47 |
| (iii) 88676.4040 Units (As at 31st March, 2022, 88676.4040 units) IDFC Super Saver IF MT Plan [NAV ₹ 46.48 per unit (As at March 31, 2022:- ₹ 47.94 per unit)] | 41.21 | 41.22 |
| (iv) (445.2400 Units, (As at 31st March, 2022, 445.2400) Templeton Short Term Income Plan — Growth [NAV ₹ 87.86 per unit (As at March 31, 2022: Nil)] | 0.39 | — |
| (v) (8.7480 units,(As at 31st March, 2022, 12.3370 units) Templeton Short Term Income Plan — Growth [NAV ₹ 4712.45 per unit (As at March 31, 2022: ₹ 4712.45per units)] | 0.41 | 0.58 |
| (vi) ((2,24,812.0620 units,(As at 31st March, 2022, 2,24,812.0620) Tata Balanced Advantage Fund Growth [NAV ₹ 14.63 per unit (As at 31st Marh 2022: ₹ 14.63 per unit) | 32.90 | 32.92 |
| | 80.76 | 80.29 |
| | 80.76 | 80.29 |
| | — | — |

Footnotes:

- a) Investments in Shamrao Vithal Co-operative Bank Limited and Suraksha Realty Limited are measured at fair value as at 31st March 2023.
- b) During the year, the Parent Company has received an amount of ₹ 64.48 lakhs (March 31, 2022: ₹ 124.28 lakhs) toward its investment in debentures redeemed out of the sale proceeds of the security against debentures.
- c) In earlier years 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.
- d) The Parent company had invested an amount of ₹ 1.60 lakhs in the capital of Primeria JV, which had been written off in the earlier years. However, the JV has not been dissolved as on date.
- e) The Parent Company has not received financials of Joyous Housing Limited (JV) for the Financial Year 2022-23. However, in the opinion of the management, share of Profit/(Loss) of the JV will not have any material impact on the financial results of the Company..
- f) As at 31st March, 2023 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.
- g) The company's respective share in securities premium / shares with differential voting rights has been netted off against investment which was earlier disclosed under other Non Current Financial liability.
- (h) In respect of investment made by the parent company in deep discount bonds amounting to ₹ 97,412.85 lakhs in a Joint venture with negative net worth, the management of both parties have mutually agreed that Hubtown Limited shall not charge/ claim any interest on the outstanding amount of ₹ 97,412.85 lakhs till such time the company receives commencement certificate for development of the project.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 8. TRADE RECEIVABLES

Current

Unsecured, considered good

— Related Party (Refer Note 34)

— Others

Doubtful

Allowance for doubtful debts

Total

| As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|
| — | — |
| 20,250.31 | 24,401.95 |
| 1,960.03 | 962.26 |
| (1,960.03) | (962.26) |
| 20,250.31 | 24,401.95 |

Footnotes:

- 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.

Trade Receivables ageing schedule

For The Year Ended 31st March 2023

Amount In lakhs

| Particulars | Outstanding for following periods from Transaction date | | | | | | |
|--|---|-----------------------|--------------------|-----------------|-----------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months- 1year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade receivables — considered good | 510.16 | 1,742.38 | 519.22 | 1,506.47 | 8,665.79 | 6,088.43 | 19,032.45 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | — | — | — | — | — | — | — |
| (iii) Undisputed Trade Receivables — credit impaired | - | 29.21 | 28.04 | 784.22 | 528.89 | 1,807.53 | 3,177.90 |
| (iv) Disputed Trade Receivables — considered good | — | — | — | — | — | — | — |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | — | — | — | — | — | — | — |
| (vi) Disputed TradeReceivables — credit impaired | — | — | — | — | — | — | — |
| Less: Allowances for credit loss | — | — | — | — | — | — | 13.82 |
| Less: Provisions | — | — | — | — | — | — | 1,946.21 |
| Total Trade Receivables | 510.16 | 1,771.60 | 547.26 | 2,290.69 | 9,194.68 | 7,895.96 | 20,250.31 |

For The Year Ended 31st March 2022

Amount In lakhs

| Particulars | Outstanding for following periods from Transaction date | | | | | | |
|--|---|-----------------------|--------------------|-----------------|-----------------|----------------------|------------------|
| | Not due | Less than 6 months | 6 months- 1year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) Undisputed Trade receivables — considered good | 1,056.14 | 2,374.82 | 1,786.57 | 9,551.82 | 2,765.97 | 6,880.46 | 24,415.78 |
| (ii) Undisputed Trade Receivables — which have significant increase in credit risk | — | — | — | — | — | — | — |
| (iii) Undisputed Trade Receivables — credit impaired | — | — | 339.12 | 358.11 | — | 1,179.48 | 1,876.71 |
| (iv) Disputed Trade Receivables — considered good | — | — | — | — | — | — | — |
| (v) Disputed Trade Receivables — which have significant increase in credit risk | — | — | — | — | — | — | — |
| (vi) Disputed TradeReceivables — credit impaired | — | — | — | — | — | — | — |
| Less: Allowances for credit loss | — | — | — | — | — | — | 13.82 |
| Less: Provisions | — | — | — | — | — | — | 1,876.71 |
| Total Trade Receivables | 1,056.14 | 2,374.82 | 2,125.69 | 9,909.93 | 2,765.97 | 8,059.94 | 24,401.95 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| NOTE 9. LOANS | | |
| Non-current | | |
| Loans to related parties (Refer Note 34) | | |
| — Unsecured, considered good | 15,754.84 | 15,606.43 |
| Total | 15,754.84 | 15,606.43 |
| Current | | |
| Loans to related parties | | |
| — Unsecured, considered good | 4,997.68 | 5,968.53 |
| Loan to others | | |
| — Unsecured, considered good | 437.29 | 3,727.55 |
| Loans to Employees | | |
| | 7.81 | 11.50 |
| Total | 5,442.78 | 9,707.58 |

— Repayable on demand / Without specifying any terms or period of repayment

| Borrower | F.Y 2022—23 | | F.Y 2021-22 | |
|-----------------|---|----------------------------|---|----------------------------|
| | Amount of loan or advance outstanding (₹) | % to Total Loan or Advance | Amount of loan or advance outstanding (₹) | % to Total Loan or Advance |
| Promoters | — | — | — | — |
| Directors | — | — | — | — |
| KMPs | — | — | — | — |
| Related Parties | 20,752.52 | 100% | 21,574.96 | 100% |
| Total | 20,752.52 | | 21,574.96 | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| NOTE 10. OTHER FINANCIAL ASSETS | | |
| Non-current | | |
| Bank balances | | |
| — Deposits with maturity of more than twelve months | 230.16 | 50.00 |
| — Margin money deposits | 499.17 | 372.56 |
| Security deposits | 104.98 | 102.21 |
| Other receivables | | |
| Other than Trade Receivables | 9.15 | 9.15 |
| Interest accrued on fixed deposits | 4.30 | 1.46 |
| | 847.76 | 535.38 |
| Footnote: | | |
| Balances with banks in margin money and fixed deposits are kept as security for guarantees / other facilities. | | |
| Current | | |
| Security deposits | | |
| Project Advances (Refer Footnote a) | 545.52 | 239.12 |
| — Related parties (Footnote f of Note 7) | 24,952.95 | 15,321.05 |
| Doubtful | 198.78 | — |
| Less: Provision for doubtful Project Advances | (198.78) | — |
| — Others | — | 1,464.66 |
| Advances recoverable | | |
| Related parties | 1,140.85 | 3,469.62 |
| Others | 14,012.24 | 14,152.56 |
| — Doubtful | — | 1,123.25 |
| — Less: Provision for doubtful Advances recoverable | — | (1,123.25) |
| Unbilled revenue | | |
| Other Advances | | |
| Current Account Balances in Partnership Firms and Joint Ventures | 2,730.59 | 4,710.49 |
| Other receivables | | |
| Other than Trade Receivables | 22,935.73 | 23,760.93 |
| Interest accrued on fixed deposits | 17.89 | 23.17 |
| Interest accrued on loans— Related Party | 46.01 | 46.01 |
| Interest accrued on investments | — | 108.37 |
| — Others | 1.97 | — |
| Total | 66,383.75 | 63,295.98 |

Footnote:

- a. 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 measurable precisely.
- Business Advance, Current Account Balance and Advances recoverable (Repayable on demand / Without specifying any terms or period of repayment) :

| Borrower | F.Y 2022-23 | |
|-----------------|--|----------------------------|
| | Amount of loan or advance outstanding (₹ in Lakhs) | % to Total Loan or Advance |
| Promoters | — | — |
| Directors | — | — |
| KMPs | — | — |
| Related Parties | 28,824.38 | 100% |
| Total | 28,824.38 | |

- Business Advance, Current Account Balance and Advances recoverable (Repayable on demand / Without specifying any terms or period of repayment):

| Borrower | F.Y 2021-22 | |
|-----------------|--|----------------------------|
| | Amount of loan or advance outstanding (₹ in Lakhs) | % to Total Loan or Advance |
| Promoters | — | — |
| Directors | — | — |
| KMPs | — | — |
| Related Parties | 23,501.17 | 100% |
| Total | 23,501.17 | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| NOTE 11. INCOME TAX ASSETS (NET) | | |
| Income Tax Assets | 1,785.48 | 1,452.58 |
| Income Tax Liabilities | (13.62) | (13.62) |
| Total | 1,771.86 | 1,438.96 |
| Income Tax expense | | |
| (a) Income Tax expense | | |
| Current Tax | — | — |
| Tax in respect of earlier years | 45.42 | 91.00 |
| | 45.42 | 91.01 |
| Deferred Tax | | |
| Decrease /(Increase) in deferred tax assets | 3,188.86 | (417.64) |
| (Decrease) /Increase in deferred tax liabilities | — | — |
| Total deferred tax expense (credit) | 3,188.86 | (417.64) |
| Income Tax expense/(credit) | 3,234.27 | (326.64) |
| (b) Reconciliation of tax expense and the accounting profit multiplied by the Company's tax rate | | |
| | 31st March, 2023 (₹ in lakhs) | 31st March, 2022 (₹ in lakhs) |
| Profit / (Loss) for the Year | (605.74) | (12,693.75) |
| Share Of Profit /(Loss) From Associate Co. / JV using equity method | 481.17 | 179.22 |
| Pre-acquisition gain | | |
| Goodwill on acquisition / consolidation adjusted | (59.46) | — |
| (Loss) / gain on cessation / sale / conversion of share in subsidiaries / JVs / Associates | | |
| Add: Loss on account of consolidation of group entities | 122.61 | 846.54 |
| Total Profit / (Loss) | (61.42) | (11,668.00) |
| Income tax expense calculated at 25.168% (P.Y. : 25.168%) | (15.46) | (2,936.60) |
| Tax effects of amounts that are not deductible (taxable) in calculating taxable income: | | |
| Effect of expenses that are not deductible in determining taxable profit | 375.04 | 115.14 |
| Effect of short / excess provision of tax | — | (82.06) |
| Effect of expenses that are deductible in determining taxable profit due to timing difference | (97.63) | (139.05) |
| Effect of income that is exempt from taxation | (0.58) | 0.47 |
| Effect of Brought Forward Business Loss adjusted | 751.71 | 3,698.11 |
| Effect of incomes that are taxable in determining taxable profit as per ICDS | (497.99) | (656.00) |
| Effect on deferred tax due to timing difference (Refer note 12) | 3,188.86 | (417.64) |
| Adjustments for current tax of prior periods | 45.42 | 91.00 |
| Income tax expense | 3,749.35 | (326.64) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| 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 | 17,264 | 3,456.33 |
| Deferred Tax Liability | <u>(12,437.08)</u> | <u>(1,812.03)</u> |
| Total | <u>4,827.18</u> | <u>1,644.30</u> |
| Deferred Tax Liability (net) | | |
| Deferred Tax Asset | — | — |
| Deferred Tax Liability | <u>(46.62)</u> | <u>(6.90)</u> |
| Total | <u>(46.62)</u> | <u>(6.90)</u> |

2022-23

| | Opening Balance | Recognised in profit or loss | Closing Balance |
|--|------------------------|---|------------------------|
| (₹ in lakhs) | | | |
| Deferred Tax Asset (Net) | | | |
| Depreciation | (183.62) | 24.44 | (159.18) |
| On account of Interest Free Long Term Loans Given | 56.30 | 4.21 | 60.51 |
| On account of Equity Contribution towards Loans and Advances | (0.00) | (143.00) | (143.00) |
| Temporary difference in relation to investments in Joint Venture | (0.01) | 0.01 | — |
| Difference in advance lease rent | (149.95) | 148.98 | (0.97) |
| Difference in security deposit | (6.24) | 7.56 | 1.32 |
| Difference in Revenue Recognition | (835.83) | 10,978.18 | 10,142.35 |
| Difference in WIP | — | (11,613.57) | (11,613.57) |
| On account of Lease Assets (Right to use (IND AS 116)) | (30.45) | (6.94) | (37.39) |
| On account of Advance income | — | 653.53 | 653.53 |
| On account of Investment in mutual fund | — | (0.31) | (0.31) |
| Difference in advance lease rent | — | 5.22 | 5.22 |
| Difference in security deposit | — | (4.49) | (4.49) |
| On account of Interest Free Long Term Borrowings | — | (478.17) | (478.17) |
| Difference borrowings / convertible instruments classified as Equity | 197.22 | (197.22) | — |
| Premium payable on debentures | (605.93) | 605.93 | — |
| Unamortised premium on debentures | 52.39 | (52.39) | — |
| On account of Lease Liability (IND AS 116) | 34.85 | 6.23 | 41.08 |
| On account of fair valuation of investments | 0.15 | (0.15) | — |
| Provisions | 55.60 | (55.60) | — |
| Others | 3,059.82 | 3,300.44 | 6,360.25 |
| | <u>1,644.29</u> | <u>3,154.23</u> | <u>4,827.17</u> |
| Deferred Tax Liability (Net) | | | |
| On account of : | Opening Balance | Recognised in profit or loss | Closing Balance |
| Depreciation | — | (41.58) | (41.58) |
| Fair valuation of investments | (9.04) | 11.06 | 2.02 |
| Others | 2.14 | (4.11) | (7.06) |
| Total | <u>(6.90)</u> | <u>(34.63)</u> | <u>(46.62)</u> |
| Deferred Tax (Charge) / Credit | | 3,188.86 | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 12. (Contd.)

2021-22

| | (₹ in lakhs) | | |
|--|-----------------|------------------------------|-----------------|
| Deferred Tax Asset (Net) | Opening Balance | Recognised in profit or loss | Closing Balance |
| Depreciation | (178.41) | (5.21) | (183.62) |
| On account of Interest Free Long Term Loans Given | 69.93 | (13.63) | 56.30 |
| Temporary difference in relation to investments in Joint Venture | (0.22) | 0.21 | (0.01) |
| Difference in advance lease rent | (146.29) | (3.66) | (149.95) |
| Difference in security deposit | (12.23) | 5.99 | (6.24) |
| Difference in Revenue Recognition | 599.38 | (1,435.21) | (835.83) |
| On account of Lease Assets (Right to use (IND AS 116)) | (0.77) | (29.68) | (30.45) |
| On account of Investment in Debenture | (163.53) | 163.53 | — |
| Difference borrowings / convertible instruments classified as Equity | (278.14) | 475.36 | 197.22 |
| Premium payable on debentures | (261.97) | (343.96) | (605.93) |
| Unamortised premium on debentures | 52.39 | — | 52.39 |
| On account of Lease Liability (IND AS 116) | 2.44 | 32.42 | 34.85 |
| On account of fair valuation of investments | 0.39 | (0.24) | 0.15 |
| Provisions | 898.07 | (842.47) | 55.60 |
| Others | 1,480.89 | 1,578.93 | 3,059.82 |
| | <u>2,061.93</u> | <u>(417.64)</u> | <u>1,644.30</u> |
| Deferred Tax Liability (Net) | Opening Balance | Recognised in profit or loss | Closing Balance |
| On account of : | | | |
| Fair valuation of investments | (9.04) | — | (9.04) |
| Others | 2.14 | — | 2.14 |
| Total | <u>(6.90)</u> | <u>—</u> | <u>(6.90)</u> |

(417.64)

Deferred Tax (Charge) / Credit

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

Advances to land owners
Prepaid Expense

Total

Current

Capital Advances
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, 2023 ₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|
| 628.07 | 628.07 |
| 11.78 | 5 |
| <u>639.85</u> | <u>633.14</u> |
| 511.81 | 1,142.79 |
| 286.81 | 1,756.44 |
| 1,781.62 | 93.26 |
| 1,669.60 | 1,457.02 |
| 712.89 | 888.58 |
| 58.24 | 35.65 |
| <u>1,142.46</u> | <u>2,451.78</u> |
| <u>6,163.43</u> | <u>7,825.52</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 14. INVENTORIES

Inventories (lower of cost or net realisable value)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| — Stock of material at site | 271.73 | 180.11 |
| — Incomplete projects | 1,67,916.41 | 1,83,760.35 |
| — Transferable Development Rights (TDR) | 2,184.01 | 5,984.64 |
| — Floor space index (FSI) | 10,672.52 | 8,875.17 |
| — Trading Material | 46.56 | 27.16 |
| — Finished properties | 20,321.42 | 9,045.85 |
| Total | 2,01,412.65 | 2,07,873.28 |

Footnote :

- The projects are under various stages of development and are expected to have net realisable value greater than the cost. Inventories include inventory valued at net realisable value of ₹ 9,722.30 (As at 31st Mar 2022 : ₹ 14,773.31 Lakhs)
- Inventories include inventory with carrying value of ₹ 31,353.33 lakhs (As at 31st March, 2022 : ₹ 37,447.89 lakhs) which have been mortgaged against the borrowings of the Parent company. The Parent 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 Parent company has also sold units which are under construction and the lender has issued NOC for the same.
- Inventories includes commercial premises held for sale of value ₹ 292.09 lakhs (As at 31st March, 2022 : ₹ 292.09 lakhs)

NOTE 15. CASH AND CASH EQUIVALENTS

Balances with banks:

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| — in current accounts | 2,471.57 | 2,397.95 |
| — Escrow accounts | 1,492.52 | 781.19 |
| — in deposit with maturity of less than three months | 165.09 | 373.50 |
| Cash on hand | 32.07 | 42.76 |
| Cash and cash equivalents | 4,161.25 | 3,595.40 |

Footnote:

Balances with banks in fixed deposits are kept as security for guarantees / other facilities.

NOTE 16. OTHER BANK BALANCES

Other Bank Balances:

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| Deposits with maturity of more than three months but less than twelve months | 103.93 | 183.51 |
| Deposit with maturity for more than 12 months | 1,665.00 | 1,172.00 |
| Margin money deposits | 323.87 | 564.55 |
| Total | 2,092.80 | 1,920.06 |

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 17. EQUITY SHARE CAPITAL

Authorised Share Capital:

125,000,000 (As at 31st March, 2021: 125,000,000) Equity Shares of ₹ 10/- each

Issued and subscribed capital comprises:

76,335,871 (As at 31st March, 2022: 72,735,871) Equity Shares of ₹ 10/- each fully paid up

| As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|
| 12,500.00 | 12,500.00 |
| 7,633.59 | 7,273.59 |
| 7,633.59 | 7,273.59 |

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

Fully paid equity shares

Balance at 31st March, 2021

Add : Issued during the year

Less : Bought back during the year

Balance at 31st March, 2022

Add : Issued during the year

Less : Bought back during the year

Balance at 31st March, 2023

| Number of shares | Share Capital (₹ in lakhs) |
|---------------------|-------------------------------|
| 7,27,35,871 | 7,273.59 |
| — | — |
| — | — |
| 7,27,35,871 | 7,273.59 |
| 36,00,000 | 360.00 |
| — | — |
| 7,63,35,871 | 7,633.59 |

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. Dividend, as and when declared by the company is paid 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

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|
| | 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 | 51,81,349 | 6.79% | 55,65,000 | 7.65% |
| Hemant Mahipatray Shah | — | — | 36,70,000 | 5.05% |
| Hemant Mahipatray Shah (HUF) | — | — | 37,00,050 | 5.09% |
| Kushal Hemant Shah | 39,43,739 | 5.17% | 40,63,739 | 5.59% |
| Vyomesh Mahipatray Shah (HUF) | 39,25,000 | 5.14% | 39,25,000 | 5.40% |

d) Details of shares held by each Promoter:

| Name of the Shareholders | As at 31st March, 2023 | | As at 31st March, 2022 | | Changes in shareholding (%) |
|---------------------------------------|------------------------|-----------------------------------|------------------------|-----------------------------------|-----------------------------|
| | 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 | 51,81,349 | 6.79% | 55,65,000 | 7.65% | (0.86%) |
| Hemant Mahipatray Shah | 36,70,000 | 4.81% | 36,70,000 | 5.05% | (0.24%) |
| Hemant Mahipatray Shah (HUF) | 37,00,050 | 4.85% | 37,00,050 | 5.09% | (0.24%) |
| Kushal Hemant Shah | 39,43,739 | 5.17% | 40,63,739 | 5.59% | (0.42%) |
| Vyomesh Mahipatray Shah (HUF) | 39,25,000 | 5.14% | 39,25,000 | 5.40% | (0.25%) |
| Khilen V Shah | 29,00,560 | 3.80% | 29,00,560 | 3.99% | (0.19%) |
| Kunjal Hemant Shah | 27,30,931 | 3.58% | 27,30,931 | 3.75% | (0.18%) |
| Rushank V Shah | 18,00,184 | 2.36% | 18,00,184 | 2.47% | (0.12%) |
| Meha Rushank Shah | 18,00,000 | 2.36% | — | — | 2.36% |
| Pratiti Mayank Shah | 18,00,000 | 2.36% | — | — | 2.36% |
| Mahipatray V Shah (HUF) | 17,20,000 | 2.25% | 17,20,000 | 2.36% | (0.11%) |
| Falguni Vyomesh Shah | 6,89,772 | 0.90% | 10,39,772 | 1.43% | (0.53%) |
| High Scale Trading Private Limited | 3,00,000 | 0.39% | — | — | (0.39%) |
| Vishwajeet Consultancy Pvt. Ltd | — | — | 3,00,000 | 0.41% | (0.41%) |
| Ukay Valves And Founders Pvt. Ltd | 3,00,000 | 0.39% | 3,00,000 | 0.41% | (0.02%) |
| Mahipatray V Shah discretionary trust | 1,90,000 | 0.25% | 1,90,000 | 0.26% | (0.01%) |

Footnote:

Out of the total shares held by promoters (holding more than 5 %) 1,18,25,000 number of shares (As at 31st March, 2022: 2,00,68,000) are pledged against loan availed by the company as at 31st March 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 18. OTHER EQUITY

| | |
|------------------------------|--|
| Securities premium reserve | |
| Debenture redemption reserve | |
| General reserve | |
| Share Warrant | |
| Retained Earning | |
| Capital Reserve | |

Securities premium reserve

| | |
|---|--|
| Balance at the beginning of the year | |
| Add / (Less) : Received during the year | |
| Appropriations | |

Balance at the end of the year

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 | |
| Add / (Less) : | |

Amount transferred to general reserve

Balance at the end of the year

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 | |
| Add / (Less) : | |
| Amount transferred from Debenture redemption reserve | |

Balance at the end of the year

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 | |
| Add / (Less) : | |

Addition during the year:

Balance at the end of the year

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.

Share Warrant

| | |
|--|--|
| Balance as per Last Financial Statements | |
| Add / (Less) : | |

Addition during the year: Issue of Share Warrant

Balance at the end of the year

Retained Earnings

| | |
|---|--|
| Balance at the beginning of the year | |
| Prior Period Adjustment (Refer footnote a) | |
| Profit / (Loss) for the year | |
| Items of OCI recognised directly in retained earnings | |

Balance at the end of the year

Total

| As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|
| 68,917.31 | 67,225.31 |
| — | — |
| 34,446.21 | 34,446.21 |
| 540.00 | — |
| 16,323.51 | 17,265.99 |
| 2,704.42 | 2,704.42 |
| <u>1,22,931.45</u> | <u>1,21,641.93</u> |
| 67,225.31 | 67,225.31 |
| 1,692.00 | — |
| — | — |
| <u>68,917.31</u> | <u>67,225.31</u> |
| — | 2,459.15 |
| — | (2,459.15) |
| <u>—</u> | <u>—</u> |
| 34,446.21 | 31,987.06 |
| — | 2,459.15 |
| <u>34,446.21</u> | <u>34,446.21</u> |
| 2,704.42 | 2,704.42 |
| — | — |
| <u>2,704.42</u> | <u>2,704.43</u> |
| — | — |
| 540.00 | — |
| <u>540.00</u> | <u>—</u> |
| 17,265.99 | 29,529.50 |
| (3,575.39) | (54.30) |
| 2,888.77 | (12,605.46) |
| (255.86) | 396.25 |
| <u>16,323.51</u> | <u>17,265.99</u> |
| <u>1,22,931.45</u> | <u>1,21,641.93</u> |

Footnote:

- a) For the year ended March 2022, the company had consolidated certain subsidiaries based on management compiled financial statements. However, the audited financial statements for the year ended March 2022, had variations compared to the management compiled financial statements considered for consolidation Accordingly, the impact of such variations have been adjusted as prior period adjustment to opening retained earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| NOTE 19. BORROWING | | |
| Non Current | | |
| Secured | | |
| (i) Debentures | | |
| 22,50,000 (As at March 31, 2022: 22,50,000) Compulsorily convertible debentures of the face value of ₹ 100/- each (Refer footnote a) | 2,250.00 | 2,250.00 |
| 1285 (P.Y. Nil) Debentures (Optionally Partly convertible Debenture of ₹ 10,00,000 each) | 11,351.00 | — |
| 1395 (P.Y. Nil) Debentures (Optionally Partly convertible Debenture of ₹ 10,00,000 each) | 13,950.00 | — |
| 1,500 (P.Y. — 1000) Secured, Redeemable Non convertible debentures of the face value of ₹ 10,00,000/- each (Refer Footnote b(i)) | 15,000.00 | 15,000.00 |
| 55 (P.Y. — Nil) Redeemable Non convertible debentures of the face value of ₹ 10,00,000/- each (Refer footnote b(ii)) | 550.00 | — |
| (ii) Term Loans | | |
| — From banks [Refer footnote c and h] | 10.39 | 14.25 |
| — From a Company [Refer footnote d] | 4,894.21 | 8,371.71 |
| — From financial institutions [Refer footnote e] | 11,104.73 | 14,074.96 |
| | 59,110.33 | 39,710.92 |
| (iii) Other Loans | | |
| Liability component of compound financial instruments | | |
| 1,12,500 (As at 31st March, 2022: 1,12,500) 10% Non Cumulative Non -Convertible Redeemable Preference Shares of ₹ 100/- each fully paid up (Refer Footnote f) | 2,309.34 | 39.43 |
| | 61,419.67 | 39,750.35 |
| Unsecured | | |
| — Loan from Others | — | 2,475.97 |
| Less: Transferred to Current Maturities | | |
| Of Long Term Debentures | (40,301.00) | — |
| Of Long Term Loan from Banks | (4.20) | (3.86) |
| Of Long Term Loan from Financial Institutions | (11,099.91) | (13,572.64) |
| Of Long Term Loan from Companies | (4,684.39) | (4,591.39) |
| Of Long Term Loan from Others | (2,265.97) | (2,475.97) |
| | (58,355.47) | (20,643.86) |
| Total | 3,064.20 | 21,582.46 |

Footnotes:

- a. One of the subsidiary is having 22,50,00,000 outstanding debentures as on 31/03/2023 and these debentures can be converted into Class "B" Shares in whole or in part at the option of the investor but not before expiry of 120 months from the date of allotment.
- b. Redemption Premium 20% p.a. IRR calculated on the face value of the debentures Tenure: 42 months from the date of allotment Security: All right title interest benefits, entitlements including substitutions rights in the Project being constructed on all those part and parcel of land admeasuring 1,13,924 sq mts on plot bearing CTS No 469-A, Village Chembur, Mumbai - 400071
(ii) During the year the Company has issued 55 (P.Y. Nil) Secured, Unrated, Unlisted, Non-Convertible Debentures of Face Value of ₹ 10,00,000/- on the following terms: Redemption Premium 1. 16% p.a. simple interest on the outstanding Debentures. Tenure: Period of 4 years from the allotment of 1st tranche Debentures Security: First ranking exclusive charge on the Gross Sales Revenue (F wing) in favour of the Debenture Trustee.
- c. Secured Vehicle loans from banks, which carry interest rate @ 9.76% p.a and are repayable by November,2021. Secured Vehicle loans from banks, which carry interest rate @ 7.74% p.a and are repayable by July,2025. Vehicle loans secured against the assets of the Company

| 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 | Punjab National Bank) | 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 vehicles. |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 19. BORROWINGS (Contd.)

- d. UCO Bank has transferred the Loan amount including interest thereon amounting to ₹ 18,287.94 lakhs as on 31.03.2017 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 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.
- e. Secured Vehicle loans from financial institution, which carry interest rate @ 7.45 % p.a and are repayable by November,2024 and same is secured the assets of the Subsidiary Company
- f. 10% Non-Cumulative Redeemable Preference Shares for ₹ 10/- each. The said preference shares will be redeemed at par at the end of 10 years from the date of allotment or before at the option of the Company in one or more tranches. The Preference shares will be qualified for preferential payment of dividend. As per the second proviso to Section 47(2) of the Companies Act, 2013 where the dividend in respect of a class of preference shares has not been paid for a period of two years or more such class of preference shareholders have a right to vote on all the resolutions placed before the meeting.
- g. Details of repayment of long term borrowings are as follows :

| 2022-23 | | | | Amount in rupees |
|--|----------------------|---------------------|----------------------|------------------|
| Particulars | *Up to 1 year | 2 to 5 years | Above 5 years | Total |
| Debenture | 40,301.00 | 2,800.00 | — | 43,101.00 |
| Term loans from Banks * | 10,239.42 | 6.19 | — | 10,245.61 |
| Term loans from Company \$ | 4,684.39 | 209.82 | — | 4,894.21 |
| Term loan from Financial Institution # | 11,099.91 | 4.82 | — | 11,104.73 |
| Loan from Others | 2,265.97 | 43.37 | — | 2,309.34 |
| Total | 68,590.69 | 3,064.20 | — | 71,654.89 |

* Including overdue amounts

\$ Measured at fair value

Measured at amortized cost (net of transaction cost)

| 2021—22 | | | | Amount in lakhs |
|--|----------------------|---------------------|----------------------|------------------|
| Particulars | *Up to 1 year | 2 to 5 years | Above 5 years | Total |
| Debenture | — | 17,250.00 | — | 17,250.00 |
| Term loans from Banks * | 10,530.05 | 10.39 | — | 10,540.44 |
| Term loans from Company \$ | 4,591.39 | 3,780.31 | — | 8,371.71 |
| Term loan from Financial Institution # | 13,572.64 | 502.32 | — | 14,074.96 |
| Loan from Others | 2,475.97 | 39.43 | — | 2,515.40 |
| Total | 31,170.04 | 21,582.47 | — | 52,752.51 |

* Including overdue amounts

\$ Measured at fair value

Measured at amortized cost (net of transaction cost)

- h. Period and amount of continuing default as on balance sheet date in repayment of term loans and interest :

| Particulars | 31 March, 2023 | | 31 March, 2022 | |
|---------------------------------|------------------|---------------------------|----------------|--------------------|
| | ₹ in lakhs | Period | ₹ in lakhs | Period |
| 1) Term loans from Banks | | | | |
| Overdue instalments | 7,717.45 | Before Apr 17 | 7,717.45 | Before Apr 17 |
| Overdue instalments | 2,517.77 | Before Apr 20 | 2,808.74 | Before Apr 20 |
| Interest | 1,453.67 | Before Apr 17 | 2,161.44 | Before Apr 17 |
| Interest | 1,735.42 | April 19 to Mar 20 | 1,735.42 | April 19 to Mar 20 |
| Interest | 1,557.95 | April 20 to Mar 21 | 1,557.95 | April 20 to Mar 21 |
| Interest | 1,600.49 | April 21 to Mar 22 | 1,600.49 | April 21 to Mar 22 |
| Interest | 1,651.38 | April 22 to Mar 23 | | |
| Total | 18,234.13 | | 17,581.49 | |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 20233 (CONTD.)

NOTE 19. BORROWINGS (Contd.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| Current | | |
| Secured | | |
| (i) Working Capital Loan from Bank (Refer footnote a, e and Note 15) | 2,780.89 | 2,318.98 |
| (ii) Loans from Financial Institutions (Refer footnote e) | — | 1,073.97 |
| (iii) Loans repayable on demand: | | |
| — From Companies (Refer footnote b & c) | 4,538.77 | 4,733.20 |
| (iv) Current maturities of long-term debt | 58,355.47 | 20,643.86 |
| | 65,675.13 | 28,770.01 |
| Unsecured | | |
| Loans repayable on demand: | | |
| — From Companies (Refer footnote d) | 17,280.38 | 17,422.65 |
| — Loan from Others (Refer Footnote f) | 168.58 | 42.88 |
| | 17,448.96 | 17,465.53 |
| Total | 83,124.10 | 46,235.54 |

Footnote:

- a. Working capital loan from bank carries interest rate of 19.50% (31st March, 2022: 19.30%). 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.
- b. Secured loans from the companies carry interest rate of 15.00% and is repayable on demand. However, loan from a company amounting to ₹ 2757.37 lakhs (As at 31st March, 2022: ₹ 2837.50 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.
- c. Secured loan of Dena Bank has become NPA and has assigned the loan amount including interest thereon amounting to ₹ 2,100 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 finalisation of terms of loan is under process.
- d. Unsecured loans from companies and others carry interest rates within a range of 14% to 27% and are repayable on demand. (Refer footnote a to Note 29)
- e. Period and amount of default as on Balance Sheet date in repayment of term loans and interest :

| Particulars | 31st March, 2023 | | 31st March, 2022 | |
|-------------------------|------------------|------------------|------------------|------------------|
| | (₹ in lakhs) | Period | (₹ in lakhs) | Period |
| Loans from Banks | | | | |
| Overdue installments | 1,269.98 | Apr 18 to Mar 23 | 1,269.98 | Apr 18 to Mar 22 |
| Interest | 1,510.91 | Apr 18 to Mar 23 | 1,049.00 | Apr 18 to Mar 22 |
| | 2,780.89 | | 2,318.98 | |

| Particulars | 31st March, 2023 | | 31st March, 2022 | |
|--|------------------|------------------|------------------|------------------|
| | (₹ in lakhs) | Period | (₹ in lakhs) | Period |
| Loans from Financial Institutions | | | | |
| Overdue instalments | — | Feb 19 to Mar 23 | 1,073.97 | Feb 19 to Mar 22 |
| | — | | 1,073.97 | |

- f. Loan from others include certain deposits inherited by the Parent company in earlier years due to merger of its erstwhile partnership firms Akruiti Jay Developer and Akruiti Kailash Constructions with the company. The Management is of the opinion that since these deposits were not received directly by the Company, they do not attract any of the provisions relating to the Companies (Acceptance of Deposits) Rules 2014 as amended. The Company is in the process of repaying the same.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|--|--|
| NOTE 20. OTHER FINANCIAL LIABILITIES | | |
| Non-current | | |
| Retention money payable (Refer Footnote c) | 1,670.89 | 928.33 |
| Lease Deposits from tenants | 22.29 | 22.06 |
| Advance Lease Rentals | 20.73 | (0.29) |
| Advance Finance Income (Refer Footnote (d) to Note 19 Non Current Borrowings) | 1,229.99 | 2,596.65 |
| On account of Shares with Differential Voting Rights | 3,208.26 | 3,208.28 |
| Total | 6,152.16 | 6,755.03 |
| Current | | |
| Interest accrued and due on borrowings | 15,685.46 | 16,405.79 |
| Interest accrued but not due on borrowing | 37.23 | 28.51 |
| — Lease deposits from tenants | — | 88.01 |
| Overdue Term Loan from Banks (Refer Footnote c and h to note 19 Non-Current Borrowings) | 10,235.22 | 10,526.19 |
| Retention money payable | 57.02 | 639.02 |
| Unpaid matured debentures and interest accrued thereon (Refer footnote a and b) | 10,197.21 | 36,997.20 |
| Unclaimed/unpaid dividends | — | 0.01 |
| Current account balance in firms and joint venture (Refer Note 34) | 74.81 | 1,029.01 |
| Business advance received (including related parties) | 1,048.65 | — |
| Advance received from others | 6,612.07 | 7,721.72 |
| Security Deposits (Refundable) | 5,083.73 | 4,309.93 |
| Advance Finance Income(Refer Footnote (d) to Note 19 Non Current Brollings) | 1,366.66 | 1,366.66 |
| Advance Lease Rentals | 32.63 | 34.56 |
| On account of Shares with Differential Voting Rights | — | — |
| Advances received from body corporates for projects | — | — |
| Other payables (Refer Footnote d & e) | 71,839.35 | 72,999.36 |
| Total | 1,22,270.04 | 1,52,145.97 |

Footnotes:

- Secured loan from ECL Finance Limited (Financial Institution) carries IRR of 16%. This loan is secured against 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 Vyomesh Shah. Corporate guarantee of Heet Builder Private Limited and Citygold Education Research Limited Pledge of shares of Heet Builder Private Limited, Citygold Education Research Limited held by Hubtown Limited. Pledge of 15,00,000 shares of Hubtown Limited.
- Period and amount of default as on the Balance Sheet date in respect of matured debentures and interest accrued thereon :

| | 31 March, 2023 | | 31 March, 2022 | |
|-----------------------------|------------------|--------|----------------|----------------|
| | (₹ in lakhs) | Period | (₹ in lakhs) | Period |
| Overdue Instalments: | 10,197.21 | | 10,197.21 | Apr. 21-Mar 22 |

- Retention Money liability to the contractors which are not due for payment as at 31st March, 2023 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 and hence retention liability has not been discounted as on 31st March, 2023.
- Other Payable includes an amount of ₹ 48,171.95 lakhs (As at 31st March, 2022: Rs. 48,171.95 lakhs) due to Ashok Commercial Enterprises. The party has instituted commercial summary Suit No. 1532 of 2018 in the High Court of Judicature at Bombay against the Company. The Parent Company has filed its response/defence to the same before the Honorable High court.
- Other Payable includes ₹ 1,448.47 lakhs (As at 31st March, 2022: ₹ 1,448,47 lakhs) being the Bank Overdraft facilities utilised by joint ventures - Hubtown Bus Terminal (Adajan) Private Limited and Hubtown Bus Terminal (Mehsana) Private Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|--|--|
| NOTE 21. PROVISIONS | | |
| Non-current | | |
| Employee Benefits | | |
| Provision for Gratuity (Refer footnote a) | 8.67 | 7.52 |
| Provision for leave benefit | 82.47 | 204.09 |
| Total | 91.14 | 211.61 |
| Current | | |
| Employee Benefits | | |
| Provision for Gratuity (Refer footnote a) | 277.50 | 169.00 |
| Provision for leave benefit | 129.33 | 75.17 |
| Total | 406.83 | 244.17 |
| Footnote: | | |
| Provision for gratuity is stated net of plan assets ₹ 7.39 lakhs (As at 31st March, 2022 : ₹ 6.32 lakhs) | | |
| NOTE 22. TRADE PAYABLES | | |
| Dues to MSME | 1,596.35 | 1,889.40 |
| Dues to others | 16,647.60 | 17,979.90 |
| Total | 18,243.95 | 19,869.30 |

For the year ended 31st March 2023

| Particulars | Outstanding for following periods from Transaction Date | | | | | Total |
|-----------------------------|---|------------------|-----------------|-----------------|-------------------|------------------|
| | Not Due | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Years | |
| (i) MSME | 111.61 | 829.03 | 212.79 | 36.01 | 406.91 | 1,596.35 |
| (II) Others | 1,423.07 | 3,227.85 | 1,220.83 | 2,826.99 | 7,717.33 | 16,416.06 |
| (iii) Disputed dues — MSME | — | — | — | — | — | — |
| (iv) Disputed dues — Others | — | — | — | — | 231.54 | 231.54 |
| TOTAL | 1,534.68 | 4,056.88 | 1,433.62 | 2,863.00 | 8,355.78 | 18,243.95 |

For the year ended 31st March 2022

| Particulars | Outstanding for following periods from Transaction Date | | | | | Total |
|-----------------------------|---|------------------|-----------------|-----------------|-------------------|------------------|
| | Not Due | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Years | |
| (i) MSME | 158.90 | 1,014.67 | 62.07 | 258.45 | 395.31 | 1,889.40 |
| (II) Others | 1,018.06 | 1,765.56 | 4,293.01 | 837.07 | 9,834.67 | 17,748.36 |
| (iii) Disputed dues — MSME | — | — | — | — | — | — |
| (iv) Disputed dues — Others | — | — | — | — | 231.54 | 231.54 |
| TOTAL | 1,176.97 | 2,780.23 | 4,355.08 | 1,095.52 | 10,461.52 | 19,869.30 |

Footnotes:

- a. The average credit period on purchases is 3 to 6 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 Rs. 1596.35 Lakhs (P.Y— Rs. 1889.40 Lakhs) are payable to such vendors at the Balance Sheet date. The interest on overdue amount has not been provided/paid since the differences in supplier account balances is under reconciliation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 23. OTHER LIABILITIES

Current

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| Advance from customers | 81,550.45 | 89,382.81 |
| Overdrawn bank balances as per books of accounts | 134.30 | 145.33 |
| Other payables : | | |
| — Statutory dues | 1,823.26 | 1,871.18 |
| — Employees benefit payables | 73.90 | 514.96 |
| — Others | 388.00 | 311.16 |
| Total | 83,969.91 | 92,225.44 |

NOTE 24. REVENUE FROM OPERATIONS

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2023 (₹ in lakhs) |
|---|--|--|
| Sale of properties / rights in projects (Net) (Refer footnote a) | 26,793.29 | 16,406.34 |
| Revenue from sale of Trading Materials | 1,078.60 | 566.54 |
| Project Management Consultancy Service | 1,309.00 | 143.03 |
| Share of Profit from Partnership Firm | (2.73) | (5.80) |
| | 29,178.16 | 17,110.11 |
| Other operating revenue : | | |
| Income on investments in Joint ventures developing real estate projects | 259.70 | 230.02 |
| Unwinding of Interest free loans | 61.60 | 54.15 |
| Lease rentals | 457.30 | 526.14 |
| Sundry credit balances appropriated | 1,378.73 | 83.91 |
| Liabilities written back to the extent no longer required | 163.81 | 250.05 |
| Income from security number plates | — | 155.80 |
| Income on Account of Advances Written off in earlier years | 13.00 | 502.48 |
| Miscellaneous Income | 396.31 | 115.27 |
| | 2,730.45 | 1,917.82 |
| Total | 31,908.61 | 19,027.93 |

Footnotes:

- a. Revenue from sale of properties does not include possession letter issued but possession not taken by the customers, amounting to ₹ Nil (₹ 1,404.56 lakhs. of FY 2021-22)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 25. OTHER INCOME

Interest Income:

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| — Loans | 57.40 | 51.54 |
| — Bank Fixed deposits | 113.12 | 207.36 |
| — Interest Income on financial asset at amortised cost | 1,375.91 | 1,146.80 |
| — Others | 86.58 | 5.44 |
| Total | 1,633.01 | 1,411.14 |
| Surplus on sale / discardment of fixed assets (Net) | 29.18 | 25.62 |
| Gain on sale of investments | — | 1.34 |
| Gain on foreign currency fluctuation (Net) | 0.16 | 0.07 |
| Gain on Investments measured at FVTPL | 0.28 | 3.48 |
| Sale of Development Rights | — | 300.00 |
| Sundry creditors balance written back | 1.38 | 0.04 |
| Provision no longer required | — | 459.68 |
| | 31.00 | 790.23 |
| Miscellaneous income | 26.78 | 189.95 |
| Total | 1,690.79 | 2,391.32 |

NOTE 26. COSTS OF CONSTRUCTION / DEVELOPMENT

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|---|--|--|
| Construction costs incurred during the year | | |
| Land / rights acquired | 2,795.92 | 5,972.48 |
| Material and labour costs | 13,106.61 | 11,645.41 |
| Approval and consultation expenses | 1,176.94 | 6,709.95 |
| Other direct development expenses | 204.69 | 1,174.22 |
| Total | 17,284.16 | 25,502.06 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

NOTE 27. CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI

Opening Inventory :

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|---------------------------------------|--|--|
| Stock at Site | 30.00 | 42.36 |
| Trading Material | 19.51 | 33.71 |
| Transferable Development Rights (TDR) | 5,984.64 | 1,484.60 |
| Floor Space Index (FSI) | 8,875.17 | 8,976.27 |
| Incomplete projects | 1,83,421.13 | 1,52,919.47 |
| Finished Properties | 7,110.49 | 10,149.96 |
| | 2,05,440.68 | 1,73,606.37 |

Add / (Less):

| | | |
|--|--------------------|-------------|
| Loss on account of Diminution in value of Inventory (Refer Footnote d to Note 31) | (1,461.23) | — |
| Opening Stock Adjustment | (4,956.93) | (3,433.40) |
| on account of Aquisition of Subsidiary / Disolution of Partnership Firm | (4,782.15) | 15,889.39 |
| | 1,94,240.37 | 1,86,062.36 |

Closing Inventory :

| | | |
|---------------------------------------|--------------------|-------------|
| Stock at Site | 114.24 | 30.00 |
| Floor Space Index (FSI) | 10,672.52 | 8,878.44 |
| Transferable Development Rights (TDR) | 2,184.01 | 5,984.64 |
| Trading Material | 46.56 | 19.25 |
| Incomplete projects | 1,65,648.21 | 1,83,857.90 |
| Finished Properties | 20,029.33 | 7,110.49 |
| | 1,98,694.87 | 2,05,880.72 |
| Total | (4,454.50) | (19,818.36) |

NOTE 28. EMPLOYEE BENEFITS EXPENSE

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|---|--|--|
| Salaries, bonus, etc. | 1,711.61 | 1,452.81 |
| Contribution to provident and other funds | 3.08 | 90.98 |
| Staff welfare expenses | 30.02 | 38.40 |
| Other fund expenses | 3.10 | 2.62 |
| Total | 1,747.81 | 1,584.81 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| NOTE 29. FINANCE COSTS | | |
| Interest costs: | | |
| Interest on Debentures | 4,492.05 | 3,197.75 |
| Interest on Fixed loans | 3,106.63 | 3,291.74 |
| Unwinding of security deposit | 32.51 | 19.67 |
| Interest Expense on financial liabilities measured at fair value (Refer Footnote d to Note 19 of Non Current Borrowings) | 1,530.22 | 1,888.75 |
| Loan Processing Fees/ Other Borrowing Cost | 11.21 | 112.80 |
| Other interest expense and Finance Charges | 109.76 | 81.06 |
| Lease Finance Cost | 25.36 | 51.58 |
| Delayed/penal interest on loans and statutory dues | 98.49 | 92.84 |
| Total | 9,406.22 | 8,736.19 |

Footnote:

- a. The Parent Company has not provided for interest amounting to ₹ 56,729.53 lakhs (As at 31st Mar 2022 : ₹ 43,939.90 lakhs) on certain corporate deposits as the Company is in the process of re-negotiating the terms / waiver of interest by respective lenders. In this regard, the Parent Company has held various meetings with the respective lenders and is hopeful of amicable settlement in the near future.
- b. In line with IND AS—23 'Borrowing Costs' issued by The Institute of Chartered Accountants of India, borrowing costs of ₹ 2,411.40 lakhs (As at 31st March, 2022 : ₹ 3,291.56 lakhs) have been capitalised to inventory.

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| NOTE 30. DEPRECIATION AND AMORTISATION EXPENSES | | |
| Depreciation of property, plant and equipment | 82.95 | 122.58 |
| Amortization of intangible assets | 84.49 | 115.87 |
| Depreciation of investment property | 151.18 | 150.33 |
| Total | 318.62 | 388.78 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 31. OTHER EXPENSES

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| Insurance | 85.45 | 45.90 |
| Rent | 47.34 | 99.65 |
| Rates and taxes | 218.33 | 377.50 |
| Advertisement expenses | 670.84 | 1,599.25 |
| Advances and other debit balances written off (Refer footnote a) | 198.54 | 9,005.43 |
| Donations | 51.34 | 0.09 |
| Bad Debts | 13.91 | 1,701.84 |
| Corporate Social Responsibility (CSR) activities (Refer Note b) | — | — |
| Brokerage | 417.28 | 523.94 |
| Directors' fees and travelling expenses | 25.30 | 17.12 |
| Provision for doubtful advances and debts | 76.03 | 139.78 |
| Reduction in value of rights sold in earlier years | — | — |
| Land Record Charges | — | 18.19 |
| Interest (Delayed Payment on taxes / Compensation Charges) | | |
| Security Expenses | 14.55 | — |
| Repairs and society maintenance charges | 109.80 | 123.12 |
| Legal and professional fees | 832.80 | 630.43 |
| Provision for doubtful debts | 1,022.23 | — |
| Loss on Foreign Currency fluctuation (Net) | 0.94 | 1.02 |
| Loss on account of Diminution in value of Inventory (Refer footnote d) | 1,461.23 | — |
| Other expenses | 3,521.72 | 2,787.99 |
| Total | 8,767.63 | 17,071.25 |

Footnote:

- The Parent 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 ₹ 198.54 lakhs (As at 31st March 2022 : ₹ 9,005.43 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 ₹ Nil (As at 31st March 2022 : ₹ Nil Lakhs) & the actual amount spent during the year is ₹ Nil (As at 31st March 2022 : ₹ Nil Lakhs) for the purpose other than construction/acquisition of an asset.
- In the opinion of the Management certain advances made by the Parent Company for Business purposes have not yielded the desired results and are doubtful of recovery. Hence, the Parent Company has made necessary provision in respect of these advances. However, the Company shall continue to make all efforts for their recovery.
- Incomplete Projects had been written down to their net realisable values on account of which company has recognised loss on diminution in value for one of it's project to the extent of ₹ 1,461.23 lakhs.

NOTE 32. EARNINGS PER SHARE (EPS)

Basic and Diluted Earning 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,

Profit for the year attributable to the owners of the Company

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

| | Year ended 31st March, 2023 (₹ in lakhs) | Year ended 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| | 4.16 | (17.33) |
| | 3,050.25 | (12,605.46) |
| | 7,32,68,474 | 7,27,35,871 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|--|--|
| NOTE 33. CONTINGENT LIABILITIES (NOT PROVIDED FOR) | | |
| (A) Claims against the Company, not acknowledged as debts on account of:— | | |
| (i) Income Tax, Service Tax and MVAT matters under Appeal | 79,076.59 | 43,376.26 |
| (ii) Towards pending legal cases | 24,526.47 | 90,426.55 |
| (B) On account of properties purchased 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 thereagainst.) | 39,535.45 | 38,822.09 |
| (D) Other commitments : | | |
| (i) Bank Guarantees against various projects | 1,217.93 | 1,116.93 |
| (ii) PWD Premium towards Additional FSI | 12,960.00 | 12,960.00 |
| (E) Certain disputes and differences had arisen between the Company (as promoters of one of the joint venture namely Rare Townships Private Limited) and investors (IL&FS and IIRF) on the issue of exercising put option by the investor which the promoters had challenged. The investors had invoked arbitration clause of share subscription and shareholders agreement on the said matter. The parties have now amicably settled all disputes and the investors have irrevocably withdrawn all claims, allegations, contentions and demands made by them. | — | Amount unascertainable |

Footnote:

- Interest / penalty that may accrue on original demands are not ascertainable, at present. The Parent 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 Parent 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 Parent 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 Parent 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 Parent Company are basically to provide comfort by the Parent 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.

- The Management certifies that other than the above, the group does not have any claims made against it, which have not been acknowledged as its debts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES

| A. | Names of related parties and description of relationship | | Country of Incorporation | % of Voting Power as at | |
|---------------|---|--|--------------------------|-------------------------|------------------|
| | | | | 31st March, 2023 | 31st March, 2022 |
| 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 (upto 1st June, 2022) | India | — | 49.00% |
| | 4 | Whitebud Developers Limited | India | 50.00% | 50.00% |
| | 5 | SHK Hotels And Hospitality Private Limited (from 11th May, 2022) | India | 26.00% | — |
| II. a) | Joint Ventures | | | | |
| | 1 | Hubtown Bus Terminal (Adajan) Private Limited | India | 45.00% | 45.00% |
| | 2 | Hubtown Bus Terminal (Ahmedabad) Private Limited | India | 45.00% | 45.00% |
| | 3 | Hubtown Bus Terminal (Mehsana) Private Limited | India | 45.00% | 45.00% |
| | 4 | Hubtown Bus Terminal (Vadodara) Private Limited | India | 45.00% | 45.00% |
| | 5 | Joyous Housing Limited | India | 25.00% | 25.00% |
| | 6 | Rare Townships Private Limited | India | 40.00% | 40.00% |
| | 7 | Sunstream City Private Limited | India | 40.67% | 40.67% |
| II. b) | Joint Ventures in the nature of Partnership firm / AOP | | | | |
| | 1 | Akruti GM Joint Venture | India | 77.00% | 77.00% |
| | 2 | Rising Glory Developers | India | 25.00% | 25.00% |
| | 3 | Shreenath Realtors (under the process of dissolution) | India | 92.50% | 92.50% |

III. Key management personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director
- 3 Mr. Sunil Mago, Chief Financial Officer
- 4 Mr. Sadanand Lad, Company Secretary

IV. Non Executive directors over which they are able to exercise significant influence

- 1 Sunil C. Shah
- 2 Kartik Shantilal Ruparel
- 3 Ketaki Rajat Shah (Upto 28-11-2022)
- 4 Mitkumar Koradia (Upto 11-07-2022)
- 5 Milin Jagdish Ramani (From 30-09-2022)
- 6 Bhakti Jaywant Kothare (From 14-11-2022)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

A. Names of related parties and description of relationship (Contd.)

V. Relatives of key management personnel

- 1 Mrs. Kunjal H. Shah, Wife of Executive Chairman
- 2 Mrs. Falguni V. Shah, Wife of Managing Director
- 3 Mr. Rushank V. Shah, Son of Managing Director
- 4 Mr. Khilen V. Shah, Son of Managing Director
- 5 Mr. Kushal H. Shah, Son of Executive Chairman
- 6 Mrs. Nutan Dhanki, Sister of Executive Chairman and Managing Director
- 7 Mrs. Hemanti Parekh, Sister of Executive Chairman and Managing Director
- 8 Hemant M. Shah HUF- Karta Executive Chairman
- 9 Mrs. Pratiti K. Shah, Daughter in Law of Managing Director
- 10 Mrs. Meha R. Shah, Daughter in Law of Managing Director
- 11 Mrs. Aishwarya K. Shah, Daughter in Law of Executive Chairman
- 12 Vyomesh M. Shah HUF — Karta Managing Director
- 13 Mahipatray V. Shah HUF — Karta Executive Chairman
- 14 Mahipatray V. Shah Discretionary Trust- Trustees

VI. Enterprises where key management personnel or their relatives exercise significant influence

(Where transactions have taken place)

- 1 Amazia Developers Private Limited
- 2 Aradhana Lifespace LLP
- 3 Buildbyte.Com (India) Private Limited
- 4 Citygold Management Services Pvt Ltd
- 5 Dharni Properties Pvt.Ltd.
- 6 Hazel Erectors Pvt. Ltd.
- 7 Heet Builders Private Limited
- 8 Helictite Residency Private Limited
- 9 Helik Advisory Limited
- 10 Hill View Venture
- 11 Hubtown Solaris Maintenance Private Limited
- 12 Powersoft IT Private Limited
- 13 Wellgroomed Venture

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|-----------------------------------|--|--|---------------------|--|
| i. | Loans and Advances received/ recovered/ adjusted | | | |
| | Rare Townships Private Limited | — (—) | — (85.42) | — (—) |
| ii. | Loans and Advances given/ repaid/adjusted | | | |
| | Joyous Housing Limited | — (—) | 3.37 (—) | — (—) |
| | Rare Townships Private Limited | — (—) | 29.25 (11.75) | — (—) |
| iii. | Business Advances received / recovered / adjusted | | | |
| | Adhivitiya Properties Limited | — (—) | — (—) | — (13.37) |
| | Amazia Developers Private Limited | — (—) | — (—) | 369.60 (40.00) |
| | Aradhana Lifespace LLP | — (—) | — (—) | 45.00 (—) |
| | Buildbyte.Com (India) Private Limited | — (—) | — (—) | 15.00 (104.44) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | — (319.53) |
| | Distinctive Realty Private Limited | — (—) | — (—) | — (332.83) |
| | Fern Infrastructure Private Limited | — (—) | — (—) | — (100.97) |
| | Giraffe Developers Private Limited | 12,759.32 (4,154.65) | — (—) | — (—) |
| | Heet Builders Private Limited | — (—) | — (—) | 3,647.46 (14.50) |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | 210.50 (—) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | 1,008.70 (71.34) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | 1,002.78 (—) | — (—) |
| | Sunstream City Private Limited | — (—) | — (10.00) | — (—) |
| | Wellgroomed Venture | — (—) | — (—) | 25.00 (240.85) |
| | iv. | Business Advances given / repaid / adjusted | | |
| Adhivitiya Properties Limited | | — (—) | — (—) | — (2.50) |
| Amazia Developers Private Limited | | — (—) | — (—) | 882.24 (170.00) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|------------|--|-------------------------|-------------------------|--|
| | Aradhana Lifespace LLP | — (—) | — (—) | 50.00 (—) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | — (70.10) |
| | Fern Infrastructure Private Limited | — (—) | — (—) | — (120.00) |
| | Giraffe Developers Private Limited | 11,291.26 (6,460.40) | — (—) | — (—) |
| | Heet Builders Private Limited | — (—) | — (—) | 574.83 (30.00) |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | 186.50 (7.00) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | 1,966.53 (1,791.85) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | 509.15 (179.50) | — (—) |
| | Hubtown Bus Terminal (Vadodara) Private Limited | — (—) | 949.07 (10.00) | — (—) |
| | Rubix Trading Private Limited | 1,199 (—) | — (—) | — (—) |
| | Shubhsiddhi Builders Private Limited | — (0.20) | — (—) | — (—) |
| | Sunstream City Private Limited | — (—) | 1,677.89 (1,103.00) | — (—) |
| | Wellgroomed Venture | — (—) | — (—) | 2,010.38 (21.00) |
| | Whitebud Developers Limited | 13.30 (0.50) | — (—) | — (—) |
| v. | Contribution in Partner's Current Account | | | |
| | Akruti GM JV | — (—) | 270.71 (99.40) | — (—) |
| | Rising Glory Developers | — (—) | 20,253.07 (5,900.98) | — (—) |
| vi. | Amount Withdrawn from Partner's Current Account | | | |
| | Jairaj Developers Unit—9 | — (—) | 10,419.22 (—) | — (—) |
| | Rising Glory Developers | — (—) | 22,798.95 (5,767.41) | — (—) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------|---|---------------------|------------------|--|
| vii. | On behalf payments made (Including reimbursement of expenses) | | | |
| | Akruti GM JV | — (—) | 0.12 (—) | — (—) |
| | Amazia Developers Private Limited | — (—) | — (—) | — (2.79) |
| | Aradhana Lifespace LLP | — (—) | — (—) | 0.66 (3.02) |
| | Buildbyte.Com (India) Private Limited | — (—) | — (—) | 0.04 (0.02) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | 0.12 (—) |
| | Dharni Properties Pvt.Ltd. | — (—) | — (—) | 2.30 (—) |
| | Giraffe Developers Private Limited | — (0.08) | — (—) | — (—) |
| | Heet Builders Private Limited | — (—) | — (—) | 1.20 (—) |
| | Helictite Residency Private Limited | — (—) | — (—) | 0.24 (29.25) |
| | Helik Advisory Limited | — (—) | — (—) | 0.24 (—) |
| | Hill View Venture | — (—) | — (—) | 4.20 (3.31) |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | 0.66 (161.26) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | 2.22 (—) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | 0.84 (408.15) | — (—) |
| | Hubtown Bus Terminal (Vadodara) Private Limited | — (—) | 0.48 (—) | — (—) |
| | Khilen Shah | — (—) | — (—) | — (0.44) |
| | Kushal Shah | — (—) | — (—) | — (2.32) |
| | Rare Townships Private Limited | — (—) | 14.70 (—) | — (—) |
| | Rushank Shah | — (—) | — (—) | 159.44 (43.49) |
| | Sunil Chandrakant Shah | — (—) | — (—) | 0.02 (—) |
| | Sunstream City Private Limited | — (—) | 0.18 (0.95) | — (—) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--------------|--|---------------------|----------------|--|
| | Vyomesh M. Shah | — (—) | — (—) | 0.04 (—) |
| | Wellgroomed Venture | — (—) | — (—) | — (0.05) |
| viii. | On behalf payments received/adjusted | | | |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | 0.36 (17.55) |
| | Hazel Erectors Pvt. Ltd. | — (—) | — (—) | 0.09 (—) |
| | Heet Builders Private Limited | — (—) | — (—) | 6.44 (1.68) |
| | Helictite Residency Private Limited | — (—) | — (—) | — (28.45) |
| | Helik Advisory Limited | — (—) | — (—) | 0.24 (—) |
| | Hemant Shah | — (—) | — (—) | 1.31 (—) |
| | Hill View Venture | — (—) | — (—) | 29.26 (—) |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | — (537.05) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (20.00) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | — (793.66) | — (—) |
| | Khilen Shah | — (—) | — (—) | 0.17 (—) |
| | Kushal Shah | — (—) | — (—) | 0.51 (2.31) |
| | Rushank Shah | — (—) | — (—) | 164.42 (2.12) |
| | Sunil Chandrakant Shah | — (—) | — (—) | 0.02 (—) |
| | Vyomesh M. Shah | — (—) | — (—) | 0.04 (—) |
| | Wellgroomed Venture | — (—) | — (—) | 80.14 (—) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------|---|---------------------|------------------|--|
| ix. | Advance received against FSI | | | |
| | Hill View Venture | — (—) | — (—) | — (83.04) |
| x. | Issue of Share Warrants | | | |
| | Meha Rushank Shah | — (—) | — (—) | 1,296.00 (—) |
| | Pratiti K. Shah | — (—) | — (—) | 1,296.00 (—) |
| xi. | Sale of properties/rights/Material/services (Net of GST) | | | |
| | Joyous Housing Limited | — (—) | — (—) | — (—) |
| | Akruti GM JV | — (—) | — (3.73) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | — (4.25) | — (—) |
| | Heet Builders Private Limited | — (—) | — (—) | — (8.86) |
| xii. | Interest income on loans/Debentures | | | |
| | Joyous Housing Limited | — (—) | 39.45 (38.70) | — (—) |
| xiii. | Share of profit from Partnerships/Joint Ventures | | | |
| | | — (—) | 0.74 (1.68) | — (—) |
| | Shreenath Realtors | — (—) | 0.55 (0.41) | — (—) |
| xiv. | Share of loss from Partnerships/Joint Ventures | | | |
| | Rising Glory Developers | — (—) | 0.10 (3.94) | — (—) |
| xv. | Purchase of properties/rights/Material/services (Net of GST) | | | |
| | Dharni Properties Pvt.Ltd. | — (—) | — (—) | 2.30 (—) |
| | Rare Townships Private Limited | — (—) | — (3.20) | — (—) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------------|--|---------------------|----------------|--|
| xvi. | Services received/availed | | | |
| | Powersoft IT Private Limited | — (—) | — (—) | 46.62 (44.25) |
| xvii. | Directors' Remuneration | | | |
| | Hemant Shah | — (—) | — (—) | 41.16 (49.35) |
| | Vyomesh M. Shah | — (—) | — (—) | 36.90 (43.95) |
| xviii. | Directors Sitting Fees | | | |
| | Abhijit Datta (upto 15-01-2022) | — (—) | — (—) | — (2.00) |
| | Bhakti Jaywant Kothare | — (—) | — (—) | 0.80 (—) |
| | Kartik Shantilal Ruparel | — (—) | — (—) | 6.30 (2.70) |
| | Ketaki Rajat Shah | — (—) | — (—) | 3.40 (2.20) |
| | Milin Jagdish Ramani | — (—) | — (—) | 1.50 (—) |
| | Sunil Chandrakant Shah | — (—) | — (—) | 6.90 (4.30) |
| xix. | Remuneration to Relatives of KMPs | | | |
| | Rushank Shah | — (—) | — (—) | — (12.02) |
| | Khilen Shah | — (—) | — (—) | — (12.02) |
| | Kushal Shah | — (—) | — (—) | — (0.50) |
| xx. | Remuneration to KMPs | | | |
| | Sunil Mago | — (—) | — (—) | 45.64 (27.65) |
| | Sadanand Lad | — (—) | — (—) | 20.60 (13.28) |
| xxi. | Advances/Other Debit balance written off | | | |
| | Lista City Private Limited | — (—) | — (—) | — (39.76) |
| | Sheshan Housing And Area Development Engineers Limited | — (—) | — (—) | — (2.85) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|---------|---|---------------------|--------------------|--|
| xxii. | Sundry Balances written back | | | |
| | Sheshan Housing And Area Development Engineers Limited | — (—) | — (—) | — (0.0001) |
| | Citygold Management Services Pvt Ltd | — (—) | — (—) | — (0.19) |
| | Helik Advisory Limited | — (—) | — (—) | — (0.12) |
| xxiii. | Corporate guarantees given for loans availed by others | | | |
| | Rare Townships Private Limited | — (—) | — (38.48) | — (—) |
| | Giraffe Developers Private Limited | — (7,954.55) | — (—) | — (—) |
| xxiv. | Corporate Guarantees vacated for loans availed by others | | | |
| | Hubtown Bus Terminal (Adajan) Private Limited | — (—) | 716.02 (390.00) | — (—) |
| | Hubtown Bus Terminal (Mehsana) Private Limited | — (—) | 702.28 (316.55) | — (—) |
| | Hubtown Bus Terminal (Vadodara) Private Limited | — (—) | 506.26 (309.58) | — (—) |
| | Hubtown Bus Terminal (Ahmedabad) Private Limited | — (—) | 613.75 (100.82) | — (—) |
| | Giraffe Developers Private Limited | 5,921 (—) | — (—) | — (—) |
| | Rare Townships Private Limited | — (—) | 343.05 (—) | — (—) |
| | Sunstream City Private Limited | 681.22 (743.75) | — (—) | — (—) |
| xxv. | Purchase of Shares from Vinca (Investments in shares of Rubix Trading Pvt. Ltd.) | | | |
| | Vinca Developer Private Limited | — (0.9994) | — (—) | — (—) |
| xxvi. | Sale of Shares (CGMS) | | | |
| | Falguni Shah | — (—) | — (—) | (0.05) (—) |
| | Khilen Shah | — (—) | — (—) | (0.03) (—) |
| | Kunjai Shah | — (—) | — (—) | (0.05) (—) |
| | Kushal Shah | — (—) | — (—) | (0.06) (—) |
| | Rushank Shah | — (—) | — (—) | (0.06) (—) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| Sr. No. | Nature of transaction | Associate companies | Joint Ventures | Key management personnel, their relatives and enterprises \$ |
|--|-----------------------------------|--------------------------|----------------|--|
| xxvii. | Earlier Period Adjustments | | | |
| | Shreenath Realtors | — (—) | 3.50 (—) | — (—) |
| | Sunstream City Private Limited | — (—) | 50 (—) | — (—) |
| xxviii. | Other Payables | | | |
| | Amazia Developers Private Limited | — (—) | — (—) | — (300.00) |
| | Bhakti Jaywant Kothare | — (—) | — (—) | 0.02 (—) |
| | Falguni Shah | — (—) | — (—) | 173.07 (224.19) |
| | Hemant Shah | — (—) | — (—) | — (1,060.91) |
| | Hemant Shah (HUF) | — (—) | — (—) | 621.08 (—) |
| | Hill View Venture | — (—) | — (—) | — (24.45) |
| | Kartik Shantilal Ruparel | — (—) | — (—) | 0.02 (—) |
| | Kushal Shah | — (—) | — (—) | 87.30 (106.38) |
| | Milin Jagdish Ramani | — (—) | — (—) | 0.02 (—) |
| | Vyomesh M. Shah | — (—) | — (—) | 224.14 (1,041.44) |
| | xxix. | Other Receivables | | |
| Amazia Developers Private Limited | | — (—) | — (—) | — (35.67) |
| Hubtown Bus Terminal (Adajan) Private Limited | | — (—) | 0.88 (—) | — (—) |
| Hubtown Bus Terminal (Ahmedabad) Private Limited | | — (—) | 0.92 (—) | — (—) |
| Hubtown Bus Terminal (Mehsana) Private Limited | | — (—) | 0.60 (—) | — (—) |
| Hubtown Bus Terminal (Vadodara) Private Limited | | — (—) | 0.22 (—) | — (—) |
| Hubtown Solaris Maintenance Private Limited | | — (—) | — (—) | 30.62 (—) |
| Powersoft IT Private Limited | | — (—) | — (—) | — (1.48) |
| Rushank Shah | | — (—) | — (—) | 13.51 (—) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|---|---|---|
| Balances outstanding | | |
| xxx. Payables | | |
| Joint Ventures | | |
| Hill View Venture | 2,285.03 | 4,193.51 |
| Shreenath Realtors | 1.92 | — |
| Key management personnel, their relatives and enterprises \$ | | |
| Adhivitiya Properties Limited | — | 17.12 |
| Buildbyte.Com (India) Private Limited | 27.69 | 12.73 |
| Falguni Shah | — | 260.84 |
| Hemant Shah | 14.32 | 908.98 |
| Vyomesh Shah | 44.07 | 1,064.85 |
| Kunjai Shah | — | 2.01 |
| Vishal Nirman (India) Pvt Ltd | 43.09 | 43.09 |
| Kushal Shah | 87.30 | 16.48 |
| Bhakti Jaywant Kothare | 0.72 | — |
| Citygold Management Services Private Limited | 2.87 | — |
| Dharni Properties Pvt. Ltd. | 1.15 | — |
| Kartik Shantilal Ruparel | 0.99 | — |
| Milini Jagdish Ramani | 0.99 | — |
| Mahipatray Shah Family Discretionary Trust | 19.50 | — |
| Sunil C Shah | 33.60 | 35.37 |
| Abhijit B Datta (upto 15-01-2022) | — | 3.72 |
| Priti K Shah | 19.71 | 23.88 |
| Transgulf Mep Engineers Private Limited | — | 0.25 |
| Powersoft IT Private Limited [From 01-10-2019] | — | 9.52 |
| Footnote: | | |
| \$ | Enterprises where Key Management personnel or their relatives exercise significant influence. | |
| * | Including balances relating to transactions entered into when these were not related. | |
| xxxi. Receivables* | | |
| Associate companies | | |
| Whitebud Developers Limited | 933.67 | 920.37 |
| Shubhsiddhi Builders Private Limited | 0.20 | — |
| Giraffe Developers Private Limited | 10,350.19 | 11,718.25 |
| Joint Ventures | | |
| Hubtown Bus Terminal (Adajan) Pvt Ltd | 2,658.00 | 2,680.46 |
| Hubtown Bus Terminal (Ahmedabad) Pvt Ltd | 5,778.53 | 4,821.80 |
| Hubtown Bus Terminal (Vadodara) Pvt Ltd | 1,381.12 | 431.35 |
| Hubtown Bus Terminal (Mehsana) Private Limited | 198.73 | 690.92 |
| Joyous Housing Limited | 1,246.24 | 1,203.42 |
| Sunstream City Private Limited | 4,510.14 | 2,832.07 |
| Rising Glory Developers | 2,867.15 | 5,413.13 |
| Akruti GM JV | 2,162.23 | 1,890.66 |
| Well Groomed Venture | 2,185.38 | — |
| Sunstone Developers JV | — | 342.06 |
| Rare Townships Private Limited | 1,335.28 | 1,291.33 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 34. RELATED PARTIES DISCLOSURES AS PER IND AS 24 (Contd.)

B. Transactions with Related Parties (Contd.)

| | As at 31st March, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| Key management personnel, their relatives and enterprises | | |
| Adhivitiya Properties Private Limited | 36.98 | — |
| Citygold Management Services Private Limited | — | 0.02 |
| Amazia Developers Private Limited | 58.45 | — |
| Aradhana Lifespace LLP | 15.73 | — |
| Lista City Private Limited | 0.01 | — |
| Khilen Shah | 5.36 | 0.43 |
| Rushank Shah | 56.23 | 41.33 |
| Powersoft IT Private Limited | 0.81 | — |
| Fourjone Realtors Private Limited | 0.50 | 0.50 |
| Helictite Residency Private Limited | 2.08 | 1.84 |
| Hubtown Solaris Maintance Private Limited | 503.02 | 911.57 |
| Falguni Shah | 1.77 | — |
| E Commerce Magnum Solution Limited | 115.61 | 115.61 |
| Heet Builders Private Limited | 3,408.14 | 6,486.01 |
| xxxii. Corporate guarantees given for loans availed by others (Amount outstanding there against) | | |
| Hubtown Bus Terminal (Adajan) Private Limited | 514.73 | 1,230.75 |
| Hubtown Bus Terminal (Mehsana) Private Limited | 1,809.74 | 2,512.02 |
| Hubtown Bus Terminal (Vadodara) Private Limited | 2,193.53 | 2,699.79 |
| Hubtown Bus Terminal (Ahmedabad) Private Limited | 4,758.60 | 5,372.35 |
| Sunstream City Private Limited | 2,899.26 | 3,580.47 |
| Rare Townships Private Limited | 2,251.09 | 2,594.14 |
| Giraffe Developers Private Limited | 4,714.11 | 10,635.37 |
| xxxiii. Personal Guarantee of Directors towards loans availed by the company | | |
| Banks | 21,268.61 | 19,900.48 |
| Financial Institution | 2,128.05 | 4,137.68 |
| Company | 9,029.21 | 10,818.42 |
| xxxiv. Guarantees / Securities given by way of shares in the Company pledged against loans availed by the Company | 7,581.06 | 13,291.68 |

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 35.

The Consolidated financial statements present the consolidated accounts of the Company with its Subsidiaries, Associates and Joint Ventures which incorporate Ackruti 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(A). 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 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. 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.

NOTE 36(B)- DISCLOSURE OF DERIVATIVES

- No derivative instrument were outstanding at the end of the year.
- Uncovered risks in foreign currency transactions disclosed as at:

| Particulars | 31st March, 2023 | 31st March, 2022 |
|---------------------|------------------|------------------|
| Cash on Hand | | |
| UK POUND | 25.00 | 25.00 |
| INR | 2,536.68 | 2,478.79 |
| AED | 9,182.00 | 9,182.00 |
| INR | 2,05,350.84 | 1,88,728.66 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2023 (CONTD.)

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, 2023 (₹ in lakhs) | As at 31st March, 2022 (₹ in lakhs) |
|--|---|---|
| Secured Loan including current maturities | 1,27,094.80 | 68,520.37 |
| Unsecured Loan | 17,448.96 | 19,941.49 |
| Interest accrued and due/and but not due | 15,722.69 | 16,434.29 |
| Unpaid matured debentures and interest accrued thereon | 10,197.21 | 36,997.20 |
| Overdue Term Loan | 10,235.22 | 10,526.19 |
| Overdue loan from company | — | — |
| Total Debt | 1,80,698.88 | 1,52,419.53 |
| Less: Cash and cash equivalents | 4,161.25 | 3,595.40 |
| Net Debt (A) | 1,76,537.62 | 1,48,824.13 |
| Equity Share Capital | 7,633.59 | 7,273.59 |
| Other Equity | 1,22,931.45 | 1,21,641.94 |
| Total Equity (B) | 1,30,565.04 | 1,28,915.52 |
| Debt Equity Ratio (A/B) | 1.35 | 1.15 |

NOTE 38: CATEGORIES OF FINANCIAL INSTRUMENTS

Fair Value measurement

(₹ in lakhs)

| | 31st March, 2023 | | 31st March, 2022 | |
|--------------------------------|------------------|--------------------|------------------|--------------------|
| | FVPL / FVOCI | Amortised Cost | FVPL / FVOCI | Amortised Cost |
| Financial Assets | | | | |
| Investments | 118.60 | 1,12,269.45 | 118.14 | 1,23,016.67 |
| Trade receivables | — | 20,250.31 | — | 24,401.95 |
| Cash and cash equivalents | — | 4,161.25 | — | 3,595.40 |
| Bank balances other than above | — | 2,092.80 | — | 1,920.06 |
| Loans | — | 21,197.62 | — | 25,314.01 |
| Other financial assets | — | 67,231.51 | — | 63,831.37 |
| Total | 118.60 | 2,27,202.95 | 118.14 | 2,42,079.47 |
| Financial Liabilities | | | | |
| Borrowings | — | 86,188.29 | — | 67,818.00 |
| Lease Liability | — | 163.23 | — | 138.49 |
| Trade payables | — | 18,243.95 | — | 19,869.30 |
| Other Financial liabilities | — | 1,28,422.20 | — | 1,58,901.01 |
| Total | — | 2,33,017.68 | — | 2,46,726.79 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

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

(Amount in lakhs)

| Financial assets and liabilities measured at fair value — recurring fair value measurements | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| At 31st March 2023 | | | | |
| Financial Assets | | | | |
| Financial Investments at FVPL | 118.60 | — | — | 118.60 |
| Total Financial Assets | 118.60 | — | — | 118.60 |

| Financial assets and liabilities measured at fair value — recurring fair value measurements | Level 1 | Level 2 | Level 3 | Total |
|---|---------|---------|---------|--------|
| At 31st March 2022 | | | | |
| Financial Assets | | | | |
| Financial Investments at FVPL | 118.14 | — | — | 118.14 |
| Total Financial Assets | 118.14 | — | — | 118.14 |

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.

NOTE 39. INTEREST IN OTHER ENTITIES

39.1 Subsidiaries

The Group's subsidiaries as at 31st March 2023 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 | | Principal Activities |
|--|--------------------------|--------------------------------------|------------------|---|------------------|---------------------------|
| | | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 | |
| Name of the Subsidiaries: | | | | | | |
| 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 |
| Citywood Builders Private 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% | Infrastructure Facilities |
| Joynest Premises Private Limited | India | 24.00% | 24.00% | 76.00% | 76.00% | 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 (upto 24th August, 2022) | India | — | 51.00% | — | 49.00% | Real Estate Development |
| Rubix Trading Private Limited | India | 99.94% | 99.94% | 0.06% | 0.06% | Real Estate Development |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

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.

| Particulars | Ackruti Safeguard Systems Private Limited | | Gujarat Ackruti -TCG Biotech Limited | | Sanas Devloperes Private Limited | |
|---|---|------------------|--------------------------------------|------------------|----------------------------------|------------------|
| | 31ST MARCH, 2023 | 31ST MARCH, 2022 | 31ST MARCH, 2023 | 31ST MARCH, 2022 | 31ST MARCH, 2023 | 31ST MARCH, 2022 |
| Non-Current Assets | 257.67 | 277.35 | 3,232.55 | 3,235.83 | — | 68.49 |
| Current Assets | 447.75 | 356.68 | 1.80 | 0.59 | — | 5,111.37 |
| Non-Current Liabilities | 66.45 | 22.57 | — | — | — | 2,926.84 |
| Current Liabilities | 1,339.01 | 1,467.12 | 2,044.52 | 2,031.11 | — | 2,758.03 |
| Net Assets | (700.03) | (855.66) | 1,189.83 | 1,205.31 | — | (505.02) |
| Net Assets Attributable to NCI | (193.00) | (619.76) | 309.36 | 313.38 | — | (247.46) |
| Revenue | 238.26 | 412.29 | 0.05 | — | — | 0.53 |
| Profit/(Loss) For the Year | (10.20) | 258.28 | (14.95) | (11.95) | — | (314.43) |
| Other Comprehensive Income | — | — | — | — | — | — |
| | (10.20) | 258.28 | (14.95) | (11.95) | — | (314.43) |
| Profit/(Loss) allocated to NCI | (2.81) | 71.21 | (3.89) | (3.11) | — | (154.07) |
| Dividend paid to NCI | — | — | — | — | — | — |
| OCI allocated to NCI | — | — | — | — | — | — |
| Total Comprehensive Income allocated to NCI | (2.81) | 71.21 | (3.89) | (3.11) | — | (154.07) |
| Cash Flow From Operating Activities | 30.61 | 11.28 | 1.15 | (1.01) | — | 210.68 |
| Cash Flow From Investing Activities | (29) | (4.60) | 0.07 | 0.02 | — | (3.85) |
| Cash Flow From Financing Activities | — | — | — | — | — | (15.01) |
| Net increase/(decrease) in cash and cash equivalents | 2.00 | 6.69 | 1.23 | (1.00) | — | 191.82 |

| Particulars | Joynest Premises Private Limited | |
|---|----------------------------------|-------------------|
| | 31ST MARCH, 2023 | 31ST MARCH, 2022 |
| Non-Current Assets | 668.69 | 520.39 |
| Current Assets | 61,211.88 | 54,266.19 |
| Non-Current Liabilities | 3,671.89 | 17,532.92 |
| Current Liabilities | 49,677.07 | 29,368.90 |
| Net Assets | 8,531.61 | 7,884.75 |
| Net Assets Attributable to NCI | 2,218.22 | 2,050.04 |
| Revenue | 9,292.95 | 404.89 |
| Profit/(Loss) For the Year | 798.64 | (568.28) |
| Other Comprehensive Income | (151.79) | (7.75) |
| Total Comprehensive Income | 646.85 | (576.04) |
| Profit/(Loss) allocated to NCI | 168.18 | (149.77) |
| Dividend paid to NCI | — | — |
| OCI allocated to NCI | — | — |
| Total Comprehensive Income allocated to NCI | 168.18 | (149.77) |
| Cash Flow From Operating Activities | 3,922.11 | (6,799.18) |
| Cash Flow From Investing Activities | (456.68) | (104.68) |
| Cash Flow From Financing Activities | (2,268.89) | 4,800.61 |
| Net increase/(decrease) in cash and cash equivalents | 1,196.54 | (2,103.25) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

39.3 INTEREST IN ASSOCIATES AND JOINT VENTURE

| | Note | Carrying amount as at | |
|--|---------------|-----------------------|-----------|
| | | 31-Mar-23 | 31-Mar-22 |
| Interest in associates | See (A) below | 6,423.93 | 5,380.62 |
| Interest in joint ventures and partnership firms | See (B) below | 7,962.91 | 8,244.80 |
| Total | | 14,386.84 | 13,625.42 |

(A) Interest in associates

The Group's associates as at 31 March 2023 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-23 | 31-Mar-22 | |
| Shubhsiddhi Builders Private Limited | India | 50.00% | — | — | Real Estate Development |
| Vinca Developer Private Limited (upto 01st June, 2022) | India | 49.00% | — | — | Real Estate Development |
| SHK Hotels And Hospitality Private Limited (from 11th May, 2022) | India | 26.00% | 2.60 | — | |
| Whitebud Developers Limited | India | 50.00% | — | — | Real Estate Development |
| Giraffe Developers Private Limited | India | 48.00% | 6,421.33 | 5,380.62 | Real Estate Development |
| Total | | | 6,423.93 | 5,380.62 | |

* Unlisted entity - no quoted price available

(B) Interest in joint ventures

The Group's joint ventures as at 31 March 2021 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.

| Name of the entity | Country of incorporation | Ownership interest (%) | Carrying amount as at * | | Principal Activities |
|--|--------------------------|------------------------|-------------------------|-----------|-------------------------|
| | | | 31-Mar-23 | 31-Mar-22 | |
| Hubtown Bus Terminal (Adajan) Private Limited # | India | 45.00% | — | 73.18 | Real Estate Development |
| Hubtown Bus Terminal (Ahmedabad) Private Limited # [Refer note 7(g)] | India | 45.00% | 1,649.24 | 1,679.11 | Real Estate Development |
| Hubtown Bus Terminal (Mehsana) Private Limited # | India | 45.00% | 906.10 | 916.85 | Real Estate Development |
| Hubtown Bus Terminal (Vadodara) Private Limited # | India | 45.00% | 490.52 | 566.19 | Real Estate Development |
| Joyous Housing Limited | India | 25.00% | — | — | Real Estate Development |
| Rare Townships Private Limited # [Refer note 7(g)] | India | 40.00% | 4,217.05 | 4,309.47 | Real Estate Development |
| Sunstream City Private Limited | India | 40.67% | — | — | 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 Steelfab Corporation (under the process of dissolution) | India | 55.00% | — | — | Real Estate Development |
| Shreenath Realtors | India | 92.50% | — | — | Real Estate Development |
| | | | 7,962.91 | 8,244.80 | |

(#) 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, if any.

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 31 March 2023 and 31 March 2022, the Group did not receive dividends from any of its joint ventures

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

39.4 SUMMARISED BALANCE SHEET FOR MATERIAL JOINT VENTURE:

| | Hubtown Bus Terminal (Ahmedabad) Private Limited | | Rare Townships Private Limited | | Sunstream City Private Limited | |
|--|--|------------------|-----------------------------------|------------------|-----------------------------------|--------------------|
| | MARCH, 2023 | MARCH, 2022 | MARCH, 2023 | MARCH, 2022 | MARCH, 2023 | MARCH, 2022 |
| Cash and cash equivalents | 125.98 | 66.30 | 153.43 | 18.80 | 1.36 | 1.42 |
| Other Assets | 32,531.29 | 28,287.79 | 64393.10 | 63,068.74 | 1,04,820.23 | 1,03,729.61 |
| Total Current Assets | 32,657.26 | 28,354.09 | 64,546.53 | 63,087.54 | 1,04,822 | 1,03,731.04 |
| Non - Current Assets | 52.49 | 48.51 | 655.17 | 373.26 | 38.42 | 37.74 |
| Current Financial Liabilities (excluding trade payables) | 14,519.77 | 13,355.24 | 9029.26 | 8,341.79 | 5,435.93 | 3,421.90 |
| Other Liabilities | 5,415.59 | 2,299.69 | 41466.05 | 40,377.66 | 537.39 | 546.13 |
| Total Current Liabilities | 19,935.37 | 15,654.94 | 50,495.30 | 48,719.45 | 5,973.32 | 3,968.03 |
| Non - Current Financial Liabilities (excluding trade payables) | 813.17 | 725.81 | 221.23 | 23.57 | 99,806.19 | 1,00,718.44 |
| Other Liabilities | 10.81 | 5.08 | — | — | — | — |
| Total Non - Current Liabilities | 823.98 | 730.89 | 221.23 | 23.57 | 99,806 | 1,00,718.44 |
| Net Assets | 11,950.41 | 12,016.77 | 14,485.16 | 14,717.78 | (919.50) | (917.69) |
| Group Share of Net Assets | 5,377.68 | 5,407.55 | 5,794.07 | 5,887.11 | (373.96) | (373.22) |
| Reconciliation of carrying amounts of material Joint Venture: | | | | | | |
| Group share of net assets | 5,377.68 | 5,407.55 | 5,794.07 | 5,887.11 | (373.96) | (373.22) |
| Goodwill | — | — | (5794.02) | (5887.07) | — | — |
| Other Adjustments | (5377.67) | (3728.44) | — | — | 373.96 | 373.22 |
| Carrying amount | 0.02 | 0.02 | 0.04 | 0.04 | — | — |
| Summarised Statement of Profit and Loss of material Joint Venture | | | | | | |
| | MARCH, 2023 | MARCH, 2022 | MARCH, 2023 | MARCH, 2022 | MARCH, 2023 | MARCH, 2022 |
| Revenue | 377.56 | 834.55 | 308.48 | 469.70 | — | — |
| Interest Income | 53.32 | 27.67 | 8.00 | 10.06 | 0.58 | 0.96 |
| Interest Expense | 669.81 | 709.28 | 82.21 | 45.62 | 139.99 | 145.08 |
| Depreciation & Amortisation | 5.84 | 3.65 | 9.93 | 10.89 | — | 9.72 |
| Income tax expense/ income | — | — | 0.00 | — | 0.00 | (336.37) |
| Profit/Loss from Continuing Operations | 36.06 | 16.13 | (279.32) | 188.47 | (4.20) | (337.48) |
| Post - Tax Profit/ Loss from Discontinued Operations | — | — | — | — | — | — |
| Other Comprehensive Income | (20.33) | (0.83) | — | 0.00 | — | — |
| Total Comprehensive Income | 15.72 | 15.31 | (279.32) | 188.47 | (4.20) | (337.48) |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

39.4 SUMMARISED BALANCE SHEET FOR MATERIAL JOINT VENTURE (CONTD.)

| | Hubtown Bus Terminal (Mehsana) Private Limited | |
|--|---|-------------------|
| | MARCH, 2023 | MARCH, 2022 |
| Cash and cash equivalents | 135.58 | 34.58 |
| Other Assets | 13,692.46 | 14,929.46 |
| Total Current Assets | 13,828.04 | 14,964.04 |
| Non - Current Assets | 24.43 | 26.54 |
| Current Financial Liabilities (excluding trade payables) | 5,827.97 | 6,917.07 |
| Other Liabilities | 5,392.48 | 5,343.01 |
| Total Current Liabilities | 11,220.45 | 12,260.08 |
| Non - Current Financial Liabilities (excluding trade payables) | 374.14 | 445.99 |
| Other Liabilities | 1.22 | 3.35 |
| Total Non - Current Liabilities | 375.36 | 449.34 |
| Net Assets | 2,256.67 | 2,281.16 |
| Group Share of Net Assets | 1,015.50 | 1,026.52 |
| Reconciliation of carrying amounts of material Joint Venture: | | |
| Group share of net assets | 1,015.50 | 1,026.52 |
| Goodwill | — | — |
| Other Adjustments | (1015.49) | (109.67) |
| Carrying amount | 0.01 | 916.85 |
| | MARCH, 2023 | MARCH, 2022 |
| Summarised Statement of Profit and Loss of material Joint Venture | | |
| Revenue | 1,042.33 | 22.92 |
| Interest Income | 0.01 | 0.01 |
| Interest Expense | 72.79 | 41.58 |
| Depreciation & Amortisation | 2.59 | 1.68 |
| Income tax expense/ income | — | — |
| Profit/Loss from Continuing Operations | (20.64) | 105.21 |
| Post - Tax Profit/ Loss from Discontinued Operations | - | - |
| Other Comprehensive Income | (3.24) | (1.17) |
| Total Comprehensive Income | (23.88) | 104.04 |
| | As at MARCH, 2023 | As at MARCH, 2022 |
| Carrying amount of investments in Joint Venture: | | |
| Non-material Joint Venture | 7,962.24 | 7,327.89 |
| Material Joint Venture | 0.07 | 916.91 |
| Total | 7,962.31 | 8,244.80 |
| | As at MARCH, 2023 | As at MARCH, 2022 |
| Share in Total Comprehensive Income (net): | | |
| Non-material Joint Venture | 302.18 | 651.55 |
| Material Joint Venture | (115.40) | 178.00 |
| Total | 186.78 | 829.55 |
| | As at MARCH, 2023 | As at MARCH, 2022 |
| Contingent Liability in respect of Joint Venture | | |
| Share of contingent liabilities incurred jointly with other investors of the Joint venture | 9,229.48 | 5,451.68 |
| Share of Other Commitments | 12,996.00 | 12,996.00 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 (CONTD.)

NOTE 40. TRANSACTIONS WITH STRUCK OFF COMPANIES

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding (Rs. In Lakhs) | Relationship with the Struck off company |
|----------------------------|--|------------------------------------|--|
| — | — | — | Enterprises where key management personnel or their relatives exercise significant influence |

The Company does not have any transaction during the current financial year with companies struck off under Section 248 of the Companies Act, 2013.

NOTE 41.

In the opinion of The Board of Directors of the Parent 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 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.

Previous year figures have been regrouped / reclassified / restate wherever necessary, to make them comparable with current year figures in the financial statements.

NOTE 44.

- i) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) The Company does not have any charge or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi) The Company do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- vii) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority or other lender in current financial year, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- viii) The Company has complied with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation.

The accompanying notes are an integral part of the financial statements

As per our report of even date
For **J B T M & ASSOCIATES LLP**
Firm Registration No. W100365
CHARTERED ACCOUNTANTS

DHAIRYA BHUTA
PARTNER
Membership No. 168889
UDIN: 23168889BGYGK1718
Mumbai
May 29, 2023

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

SADANAND LAD
COMPANY SECRETARY

Mumbai
May 29, 2023

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

FORM NO. – AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 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 → | | Akruti Safeguard Systems Private Limited | Citygold Education Research Limited | Citywood Builders Private Limited | Diviniti Projects Private Limited | Gujarat Akruti-TCG Biotech Limited | Joynest Premises Private Limited | Rubix Trading Private Limited | Sanas Developers Private Limited (upto 24th August, 2022) | 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 | 09.04.2007 | 01.04.2009 | 29.11.2014 | 31.03.2001 | 11.01.2008 | 15.02.2013 | 21.01.2022 | 19.02.2019 | 31.03.2002 | 10.07.2010 | 30.06.2006 | 20.01.2010 |
| 2 | Reporting period of the subsidiary concerned, if different from the holding company's reporting period | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 30.06.2022 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 |
| 3 | Reporting currency | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| 4 | Share Capital | 26.76 | 232.15 | 1.00 | 5.00 | 1620.27 | 10471.95 | 1.00 | 1.00 | 5.00 | 300.00 | 5.00 | 5.00 |
| 5 | Reserves and Surplus | (726.79) | (2,615.18) | (2,015.04) | 504.06 | (430.43) | (1,940.33) | (10.99) | (391.91) | (291.04) | (28.18) | 1,895.29 | (64.02) |
| 6 | Total Assets (including investments) | 705.42 | 10,521.63 | 10,378.42 | 518.79 | 3,234.34 | 61,880.58 | 26,531 | 3772.08 | 123.27 | 1,039.00 | 17,381.05 | 6,071.38 |
| 7 | Total Liabilities | 1,405.45 | 12,904.67 | 12,392.45 | 9.73 | 2,044.52 | 53,348.97 | 26,540.99 | 4163 | 409.37 | 767.18 | 15,480.75 | 6,130.40 |
| 8 | Investments | 74.91 | 0.46 | — | 38.12 | — | — | — | — | 0.00 | 0.00 | 0.09 | 0.00 |
| 9 | Turnover / Total Income | 238.26 | 13.00 | 4,222.37 | 0.59 | 0.05 | 9,292.95 | 26.95 | 1822.51 | 0.21 | 0.00 | 7.40 | — |
| 10 | Profit / (Loss) before Taxation | (10.20) | (241.51) | 41.26 | 0.02 | (14.95) | 798.64 | 25.92 | 115.26 | (4.99) | (2.22) | (1.59) | (30.51) |
| 11 | Provision for Taxation (Add) / Less | - | - | - | - | - | - | - | 0.41 | - | - | 45.42 | - |
| 12 | Profit / (Loss) after Taxation | (10.20) | (241.51) | 41.26 | 0.02 | (14.95) | 798.64 | 25.92 | 115.67 | (4.99) | (2.22) | 43.83 | (30.51) |
| 13 | Proposed Dividend | — | — | — | — | — | — | — | — | — | — | — | — |
| 14 | % of shareholding # | 88.27 % | 2.86% | 100% | 100 % | 74 % | 62.07% | 99.94% | 51% | 100 % | 100 % | 100 % | 100 % |

* - subsidiary under Section 2 (87) (i) of the Companies Act, 2013.

\$ - based on management accounts for F. Y. 2022.23 ;

- 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 : Sanas Developers Private Limited

HUBTOWN

FORM NO. – AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 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 | Subsiddhi Builders Private Limited | Vinca Developer Private Limited (upto 1st June, 2022) | 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 | Sunstream City Private Limited | SHK Hotels and Hospitality Private Limited |
|---------------------------------------|---|------------------------------------|------------------------------------|---|------------------------------------|---|--|--|---|------------------------|--------------------------------|--------------------------------|--|
| Serial No. ↓ | PARTICULARS | \$ | | | | | \$ | \$ | | | \$ | \$ | |
| 1 | Latest Audited Balance Sheet Date | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2023 | 31.03.2021 | 31.03.2023 | 31.03.2023 | 31.03.2023 |
| 2 | Date on which the Associate or Joint Venture was associated or acquired | 01.03.2018 | 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 | 20.05.2010 | 11.05.2022 |
| 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 | 122000 | 26000 |
| | • 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 | 12.20 | 2.60 |
| | • Extent of Holding % | 7.20 % | 50 % | 0.05% | 50 % | 47.28 % | 46.30 % | 42.86 % | 47.22 % | 25 % | 35.10 % | 40.67 | 26 % |
| 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 | 1789.87 | (43.22) | — | (30.03) | (1,324.56) | 5,533.04 | 967.21 | 429.42 | — | 5,084.29 | (373.96) | — |
| 7 | Profit / (Loss) for the year | 1,416.53 | (0.39) | — | (0.27) | (2,957.53) | 15.72 | (23.88) | (74.87) | — | (279.32) | (4.2) | — |
| | Considered in consolidation | 679.93 | — | — | — | (1,398.32) | 7.28 | (10.24) | (35.35) | — | (98.04) | — | — |
| | Not considered in consolidation | 736.59 | (0.39) | — | (0.02) | (1,559.21) | 8.44 | (13.65) | (39.52) | — | (181.28) | (4.2) | — |

₹ - based on management accounts for F.Y. 2022-23.

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 : SHK Hotels And Hospitality Private Limited
- Names of associates or joint ventures which have been liquidated or sold during the year : Vinca Developer Private Limited

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN
DIN: 00009659

VYOMESH M. SHAH
MANAGING DIRECTOR
DIN: 00009596

SADANAND LAD
COMPANY SECRETARY

SUNIL MAGO
CHIEF FINANCIAL OFFICER

Mumbai
May 29, 2023

Mumbai
May 29, 2023

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HUBTOWN

[CIN: L45200MH1989PLC050688]

Registered Office: 'HUBTOWN SEASONS', CTS NO. 469-A, OPP. JAIN TEMPLE, R. K. CHEMBURKAR MARG, CHEMBUR (EAST), MUMBAI 400071
Phone: + 91 22 25265000; Fax: + 91 22 25265099; E-mail: investorcell@hubtown.co.in; Website: www.hubtown.co.in

E - COMMUNICATION REGISTRATION FORM

Dear Shareholder(s),

We draw your attention to the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the relevant Rules thereunder whereby companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address with the Company's Registrar and Transfer Agent or with their Depository.

As a part of Green Initiative in Corporate Governance, we invite all our esteemed shareholders to fill up the form given below for receiving communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company: www.hubtown.co.in.

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 : _____, 2023

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

HUBTOWN LIMITED

Regd Office: Hubtown Seasons, CTS NO. 469-A, Opp. Jain Temple

R. K. Chemburkar Marg, Chembur (East), Mumbai - 400071

www.hubtown.co.in.