

CORPORATE GOVERNANCE REPORT

INTRODUCTION

'Good Corporate Governance' is governance with the highest standards of professionalism, integrity, accountability, fairness, transparency and social responsibility. Good Corporate Governance, is a critical doctrine to the global economic system, enabling the business to not only effectively and efficiently achieve its corporate objectives but also provide it the structure and methodology to sustain its survival in a globally competitive environment.

MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company fundamentally believes that good corporate governance should be an internal driven need and is not to be looked upon as a issue of compliance dictated by statutory requirements. The Company's philosophy on corporate governance envisages an attainment of the highest level of transparency, accountability and equity in all facets of its operations and in all interactions with its stakeholders including the shareholders, employees, government and lenders. For Hubtown, corporate governance is not just an objective in isolation, but means to an end – that of building a customer focused, value driven organisation. Hubtown is in compliance with the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the details of which for the financial year ended March 31, 2014 are as follows :

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY :

The Company has a balanced Board with an optimum combination of Executive and Non-Executive Directors, including professionals, who play a crucial role in Board processes and provides independent judgment on issues of strategy and performance. Presently, the Board comprises of 6 (six) Directors, of whom two are Promoter, Executive, Non-Independent Directors and four Non-Executive, Independent Directors. Except for the Executive Chairman and the Managing Director who are related to each other, none of the other Directors of the Company are related to each other.

The present strength of the Board reflects judicious mix of professionalism, competence, sound knowledge which enables the Board to provide effective leadership to the Company. The members of your Board are eminent persons with considerable professional expertise and rich experience in a wide spectrum of functions including finance, general management, economics, public policy and law.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49 I (c)(ii) of the Listing Agreement) across all public companies in which they are Directors. The Board does not have any Nominee Director representing any institution. All the Directors have intimated periodically about their Directorships and membership on the Board Committees of other companies. The day-to-day operations are conducted by the Executive Chairman and the Managing Director of the Company, under the supervision and control of the Board of Directors.

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

Name of Director	Category of Directorship	Directorship in other companies (*)	No. of Board Committees (other than Hubtown Limited) in which Chairman / Member		Relationship with other Directors inter-se
			Chairman	Member @	
Mr. Hemant M. Shah Executive Chairman	Promoter, Executive, Non-Independent	—	—	—	Related to Mr. Vyomesh M. Shah
Mr. Arvind Kumar Joshi	Non-Promoter, Non-Executive, Independent	—	—	—	Not related to any other Director of the Company
Mr. Abhijit Datta	Non-Promoter, Non-Executive, Independent	4	1	2	
Mr. Shailesh H. Bathiya (upto June 10, 2013)	Non-Promoter, Non-Executive, Independent	—	—	—	
Mr. Sunil C. Shah (from August 14, 2014)	Non-Promoter Non-Executive, Independent	—	—	—	
Mrs. Priti K. Shah (from August 14, 2014)	Non-Promoter, Non-Executive, Independent	—	—	—	
Mr. Vyomesh M. Shah Managing Director	Promoter, Executive, Non-Independent,	1	—	1	Related to Mr. Hemant M. Shah

1. Independent Director means a Director under existing Clause 49 of the Listing Agreement.
2. (*) – excludes Alternate Directorships, Directorships in Indian Private Limited Companies and Foreign Companies and membership of Managing Committees of various bodies.
3. @ - Member includes Chairman.
4. Only memberships of Audit Committee and Shareholders' / Investors' Grievances Committee of public limited companies are included.

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RESPONSIBILITIES :

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

ROLE OF INDEPENDENT DIRECTORS :

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

The Independent Directors are professionals, with expertise and experience in general corporate management, legal, public policy, finance, banking and other allied fields. 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.

BOARD MEETINGS AND PROCEDURE :

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

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

The Chief Financial Officer and other Senior Management Personnel are invited to the Board/ Committee meetings to present reports on items being discussed at the meeting. The information as specified in Annexure IA to Clause 49 of the Listing Agreement is regularly made available to the Board. The Board periodically reviews the compliance status of all the applicable laws, rules and regulations. Action Taken Report in respect of matters arising out of the previous meetings is placed at every meeting of the Board/Committee for noting.

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

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

During the year under review, the Board met 5 (five) times. The meetings were held on May 29, 2013, August 10, 2013, September 30, 2013, November 14, 2013 and February 14, 2014.

The gap between any two meetings did not exceed four months.

The details of attendance of each Director at these Board Meetings and the last Annual General Meeting (AGM) is as under :

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on September 30, 2013
Mr. Hemant M. Shah	4	Attended
Mr. Arvind Kumar Joshi	5	Attended
Mr. Abhijit Datta	4	Attended
Mr. Shailesh H. Bathiya (upto June 10, 2013)	1	—
Mr. Vyomesh M. Shah	5	Attended

Leave of absence was granted to the concerned Directors who could not attend the respective Board Meetings.

The Board met on May 29, 2014, to inter-alia approve the annual audited financial results and the audited consolidated financial results of the Company for the year ended March 31, 2014.

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MEETING COMPLIANCES :

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

DETAILS PURSUANT TO CLAUSE 49 IV (G) (i) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT

Vyomesh M. Shah [DIN: 00009596]

Mr. Vyomesh M. Shah, 54 years, is the Managing Director of the Company since December 30, 1996. He has been Director since incorporation of the Company i.e. February 16, 1989. He is a Commerce graduate from Mumbai University and a Chartered Accountant having over 28 years of wide experience and expertise in the field of construction, finance and property development. He is presently the President of the Slum Redevelopers Association and President of the Maharashtra Chamber of Housing Industry (CREDAI). He is a member of the Audit and Compliance Committee, Corporate Social Responsibility Committee, Risk Management Committee and Committee of Directors.

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

The other Directorships of Mr. Vyomesh M. Shah are as under :

Name of the Company	Board Position held	Committee Membership
Joyous Housing Private Limited	Director	Nil
Everest Kanto Cylinder Limited	Director	Member - Audit Committee

Arvind Kumar Joshi [DIN : 00209992]

Mr. Arvind Kumar Joshi, aged 68 years, is a commerce graduate from Rajasthan University and a Chartered Accountant. He has served as Director on the Board of several leading companies: Cement Corporation of India Limited as nominee of IDBI; Gujarat Sidhee Cement Limited at behest of lead Lender IDBI; Falcon Tyres Limited; Montana Tyres Limited; Polaris Marine Management Private Limited; Jessop & Co. Limited; BTR Sealing Systems UK Limited; and Schlegel Automotive Europe Limited. He possesses wide and varied experience in providing strategic and management consultancy services to upcoming enterprises and organizations and also those undergoing financial restructuring.

Mr. Joshi has held onerous positions in various organizations such as : past President of the Institute of Industrial Managers, India; past member of the All India Export Advisory Committee of RBI and All India Association of Industries; life member of Bombay Management Association.

Mr. Joshi has been recipient of the following awards : National Industrial Excellence Award by National Council for Commerce and Industry, New Delhi; Excellent Manager, Indira Gandhi Memorial National Award from Andhra Pradesh Central Public Sector Employees Federation, Hyderabad; and Rashtriya Gaurav Award from All India Achievers' Conference, New Delhi for serving society through industrial achievement.

Mr. Joshi is a member of the Audit and Compliance Committee, Nomination and Remuneration Committee, and Chairman of Stakeholders' Relationship Committee and Risk Management Committee.

Mr. Joshi is presently not a director in any other company. He does not hold any shares in the Company.

Abhijit Datta [DIN : 00790029]

Mr. Abhijit Datta, aged 65 years, is an honours graduate and a post graduate in Economics from the University of Calcutta. He has also completed both parts of Certified Indian Institute of Bankers Examination.

He joined State Bank of India (SBI) as Probationary Officer in the year 1972 and thereafter, he has held various positions with the Bank. The last position held by him was as Deputy Managing Director and headed the newly created Mid Corporate Group of SBI.

He retired in May 2009 after 37 years of service. Post retirement, he was appointed as Chairman of Asset Reconstruction Company of India. Presently, he is on the Board of 4 companies and acting as advisor to companies – all in diverse sectors such as infrastructure, cable, textile, steel sector, etc.

He is the Chairman of the Audit and Compliance Committee and Nomination and Remuneration Committee and a member of the Risk Management Committee.

Mr. Abhijit Datta does not hold any equity shares in the Company.

The other Directorships of Mr. Abhijit Datta are as under :

Name of the Company	Board Position held	Committee Membership
Bengal Tea and Fabrics Limited	Director	Nil
Cable Corporation of India Limited	Director	Nil
Zandu Realty Limited	Director	Nil
Emami Infrastructure Limited	Director	Nil

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SUNIL C. SHAH [DIN : 06947244]

Mr. Sunil C. Shah, aged 55 years is a graduate in Science from the University of Mumbai. Mr. Shah has over 32 years of experience in the field of project management, strategic planning and business administration.

Mr. Shah is a member of the Audit and Compliance Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors.

Mr. Shah is a partner of M/s. FRP Accessories.

Mr. Shah is presently not a director in any other company. He does not hold any shares in the Company.

PRITI K. SHAH [DIN: 01880436]

Mrs. Priti K. Shah, aged 43 years, is a graduate in Commerce. Mrs. Shah has over 10 years of experience in the field of business management and administration.

Mrs. Shah is a member of the Committee of Directors of the Company.

Mrs. Shah is a partner in Ackruti Safety Innovations LLP.

Mrs. Shah is presently not a director in any other company. She does not hold any shares in the Company.

3. BOARD COMMITTEES :

The Board Committees are constituted to handle specific activities and ensure speedy resolution of diverse matters. The Board has constituted 6 (six) Board-level Committees – Audit and Compliance Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility and Committee of Directors with specific terms of reference and scope. The Committees operate as empowered agents of the Board as per their charter / terms of reference. The decisions relating to constitution of these Committees, appointment of members, and fixing terms of reference of each of these Committees are taken by the Board of Directors. Full particulars of the composition, role of these Committees, the number of meetings held and the related attendance are given below :

I. AUDIT AND COMPLIANCE COMMITTEE :

BROAD TERMS OF REFERENCE :

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

The Board of Directors in its meeting held on August 14, 2014, reconstituted the Audit and Compliance Committee to align the terms of reference of the Committee in accordance with the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, which are as hereunder :

- a. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. To recommend appointment, remuneration and terms of appointment of auditors of the Company;
- c. To approve payment to statutory auditors for any other services rendered by the statutory auditors;
- d. To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by the management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. qualifications in the draft audit report;

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

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

The Committee also oversees the performance of the internal and statutory auditors and also recommends their appointment and remuneration to the Board. The minutes of the Audit Committee forms part of the Board Agenda.

The Audit and Compliance Committee while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) notified pursuant to Companies (Accounting Standards) Rules, 2006. Compliance with the Accounting Standards as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2014.

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.

COMPOSITION :

The Audit and Compliance Committee presently comprises of 4 (four) Directors, three of whom are Non-Executive, Independent Directors. All the members of the Committee are financially literate and have accounting and financial management expertise. The Chairman of the Committee is a Non-Executive, Independent Director. The Company Secretary acts as Secretary to the Committee.

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

Name of the Director		Category
Mr. Abhijit Datta (member w.e.f. May 29, 2013) (Chairman w.e.f. August 10, 2013)	Chairman	Non-Executive, Independent
Mr. Arvind Kumar Joshi	Member	Non-Executive, Independent
Mr. Shailesh H. Bathiya (upto June 10, 2013)	Member	Non-Executive, Independent
Mr. Sunil C. Shah (with effect from August 14, 2014)	Member	Non-Executive, Independent
Mr. Vyomesh M. Shah	Member	Promoter, Executive, Non-Independent

MEETINGS AND ATTENDANCE :

During the year under review, the Committee met 4 (four) times and not more than four months has elapsed between two such meetings. The meetings were held on May 29, 2013, August 10, 2013, November 14, 2013 and February 14, 2014.

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

Name of the Director	No. of meetings attended
Mr. Shailesh H. Bathiya (upto June 10, 2013)	1
Mr. Abhijit Datta (member w.e.f. May 29, 2013) (Chairman w.e.f. August 10, 2013)	3
Mr. Arvind Kumar Joshi	4
Mr. Vyomesh M. Shah	4

Mr. Abhijit Datta, Chairman of the Audit and Compliance Committee answered queries raised by the shareholders at the Annual General Meeting of the Company held on September 30, 2013.

The Committee met on May 29, 2014 to inter-alia review the audited annual financial results of the Company for the year ended March 31, 2014 and recommended the same to the Board for its approval.

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

INTERNAL AUDITORS:

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

II. NOMINATION AND REMUNERATION COMMITTEE:

COMPOSITION :

The Board of Directors in its meeting held on August 14, 2014 renamed and reconstituted the Remuneration Committee as Nomination and Remuneration Committee to align the terms of reference of the Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.

The Nomination and Remuneration Committee presently comprises of 4 (four) Directors, of whom 3 (three) are Non-Executive, Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director, in accordance with revised Clause 49 of the Listing Agreement. The Company Secretary of the Company acts as Secretary to the Committee.

The present composition of the Nomination and Remuneration Committee is as follows:

Name of the Director		Category
Mr. Abhijit Datta	Chairman	Non-Executive, Independent,
Mr. Arvind Kumar Joshi	Member	Non-Executive, Independent,
Mr. Shailesh H. Bathiya (upto June 10, 2013)	Member	Non-Executive, Independent,
Mr. Sunil C. Shah (with effect from August 14, 2014)	Member	Non-Executive, Independent,
Mr. Hemant M. Shah (with effect from August 14, 2014)	Member	Promoter, Executive, Non-Independent

Mr. Abhijit Datta, Chairman of the erstwhile Remuneration Committee was present at the Annual General Meeting of the Company held on September 30, 2013 to provide clarification on matters relating to managerial remuneration.

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TERMS OF REFERENCE :

- i. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- ii. To carry out evaluation of every Director's performance.
- iii. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- iv. To formulate the criteria for evaluation of Independent Directors and the Board.
- v. To devise a policy on Board diversity.
- vi. To recommend/review the remuneration of the Executive Chairman and the Managing Director based on their performance and defined assessment criteria.
- vii. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- viii. To perform such other functions as may be necessary or appropriate for the performance of its duties.

MEETING AND ATTENDANCE :

The erstwhile Remuneration Committee met once on May 29, 2013 during the year under review. Mr. Arvind Kumar Joshi and Mr. Shailesh H. Bathiya were present at the said meeting. Mr. Abhijit Datta was granted leave of absence.

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

REMUNERATION POLICY :

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

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

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

A. Remuneration to Non-Executive Directors :

The Non-Executive Directors are paid remuneration by way of commission and sitting fees. The commission paid to the Non-Executive Directors is as per limits approved by the shareholders and as computed in accordance with Sections 198 / 309 of the Companies Act, 1956.

Presently, the Non-Executive Directors are paid sitting fees of ₹ 20,000 for every meeting of the Board/Committee of the Board attended by each of them. The Non-Executive Directors are also entitled to reimbursement of expenses incurred in the performance of the duties as Directors and Members of the Committee.

The role of Non-Executive Directors and their involvement as members of the Board has undergone a significant change pursuant to more stringent accounting standards and corporate governance norms. The Non-Executive Directors are required to take far more complex business decisions and are required to commit their time and provide their expertise for the Company's business. Accordingly, the Board has approved the payment of commission of an amount not exceeding 1% of the net profit of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 1956 for the financial year ended March 31, 2014, to be apportioned between the three Non-Executive Directors in proportion to the number of months each of them held office (rounded off to the nearest thousand and fraction of a month ignored).

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

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

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B. Remuneration to Executive Chairman and Managing Director :

The Nomination and Remuneration Committee recommends to the Board, the remuneration payable to the Executive Chairman and the Managing Director within the overall limits approved by the shareholders.

Payment of remuneration to the Executive Chairman and the Managing Director is governed by the respective Agreements executed between them and the Company. Annual increments are recommended to the Board within the limits mentioned in the respective Agreements and as approved by the shareholders.

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.

The erstwhile Remuneration Committee which was constituted under Clause 49 of the Listing Agreement, considered and recommended to the Board, the remuneration payable to the Executive Chairman and the Managing Director within the overall limits approved by the shareholders.

DETAILS OF REMUNERATION TO ALL DIRECTORS FOR THE YEAR ENDED MARCH 31, 2014

NON-EXECUTIVE DIRECTORS :

Name of the Director	Sitting Fees (Gross) ₹	Commission (Gross) * ₹	No. of Shares held
Mr. Arvind Kumar Joshi	2,20,000	9,51,690	Nil
Mr. Abhijit Datta	1,40,000	9,51,690	Nil
Mr. Shailesh H. Bathiya (upto June 10, 2013)	60,000	1,58,620	Nil

* The commission for the year ended March 31, 2014 will be paid to the Non-Executive Directors, after adoption of accounts by the members in the ensuing Annual General Meeting.

EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR :

Name of the Director	Salaries and Perquisites ₹	Performance Incentive ₹	Service Contract (Present)
Mr. Hemant M. Shah, Executive Chairman	85,97,600	Nil	5 years
Mr. Vyomesh M. Shah, Managing Director	77,31,200	Nil	5 years

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

FUNCTIONS :

The Board of Directors in its meeting held on May 29, 2014 reconstituted the 'Shareholders'/Investors Grievances Committee' as the 'Stakeholders' Relationship Committee. The Committee deals with stakeholder relations and security holders grievances related to non-receipt of annual report, non-receipt of declared dividend and such other issues as may be raised by the investors from time to time. In additions to this, the Committee also looks into share transfer, issue of duplicate share certificates, dematerialization, rematerialisation of shares and monitors servicing of investor requirements. The Committee ensures that the investor grievances /complaints/queries are redressed in a timely and effective manner and to the utmost satisfaction of the investors. The Committee also oversees the performance of the Registrar and Transfer Agent of the Company relating to investor services and recommends measures for improvement.

The role and the terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.

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

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COMPOSITION :

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

Name of the Director		Category
Mr. Arvind Kumar Joshi	Chairman	Non-Executive, Independent
Mr. Sunil C. Shah (with effect from August 14, 2014)	Member	Non-Executive, Independent
Mrs. Priti K. Shah (with effect from August 14, 2014)	Member	Non-Executive, Independent
Mr. Hemant M. Shah (upto August 14, 2014)	Member	Promoter, Executive, Non-Independent
Mr. Vyomesh M. Shah (upto August 14, 2014)	Member	Promoter, Executive, Non-Independent

In accordance with the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the Chairman of the Committee is a Non-Executive Independent Director.

The Company Secretary acts as Secretary to the Committee.

MEETINGS AND ATTENDANCE :

Subsequent to the closure of the financial year 2013-2014, the erstwhile Shareholders'/Investors Grievances Committee met once on May 29, 2014 which was attended by all the members.

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

During the financial year 2013-2014, the complaints and queries received from the shareholders were general in nature and were mainly pertaining to non-receipt of annual reports, dividend payment, request for subsidiary accounts, etc. All the complaints were resolved to the satisfaction of the investors.

The status of Investor's complaints as on March 31, 2014, is as follows :

No. of complaints as on April 1, 2013	Nil
No. of complaints received during the financial year 2013-2014	4
No. of complaints resolved upto March 31, 2014	4
No. of complaints pending as on March 31, 2014	Nil

The number of pending requests for dematerialisation as on March 31, 2014 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 Board of Directors in its meeting held on August 14, 2014 constituted the 'Corporate Social Responsibility Committee' pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee is entrusted with the responsibility of formulating and monitoring the Corporate Social Responsibility Policy of the Company.

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

TERMS OF REFERENCE :

- i. To formulate and recommend to the Board, the Corporate Social Responsibility 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.

CORPORATE GOVERNANCE REPORT (CONTD.)

COMPOSITION :

The present composition of the Corporate Social Responsibility Committee is as under :

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

No meeting was required to be held during the Financial Year 2013-2014.

The Company Secretary acts as Secretary to the Committee.

V. RISK MANAGEMENT COMMITTEE :

The Board of Directors in its meeting held on August 14, 2014 constituted the Risk Management Committee pursuant to revised Clause 49 of the Listing Agreement. The Risk Management Committee of the Board of Directors is entrusted with the responsibility of establishing policies to monitor and evaluate the risk management systems of the Company. It also oversees the functioning of the risk management, internal compliance and control policies and procedures of the Company.

TERMS OF REFERENCE :

- i. To oversee and approve the risk management, internal compliance and control policies and procedures of the Company;
- ii. To oversee the design and implementation of the risk management and internal control systems in conjunction with the existing business processes and systems, to manage the Company's material business risks;
- iii. To establish policies for the monitoring and evaluation of risk management systems in order to assess the effectiveness of those systems in minimizing risks that may adversely affect the operations/business of the Company;
- iv. To oversee and monitor management's documentation of the material risks that the Company faces and update the same as events change and risks shift;
- v. To review reports on any material breach of risk limits and the adequacy of the proposed actions undertaken; and
- vi. To review its own performance, constitution and terms of reference to ensure that it is functioning at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

COMPOSITION :

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

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

No meeting was required to be held during the Financial Year 2013-2014.

The Company Secretary acts as Secretary to the Committee.

VI. COMMITTEE OF DIRECTORS :

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

CORPORATE GOVERNANCE REPORT (CONTD.)

COMPOSITION :

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

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

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

The minutes of the Committee Meetings are noted by the Board of Directors in subsequent Board Meetings. The Company Secretary acts as Secretary to the Committee.

4. GENERAL BODY MEETINGS :

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

Financial Year	Date	Location of the Meeting	Time	Particulars of the Special Resolution
2010-2011	August 11, 2011	M. C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg (Rampart Row), Fort, Mumbai 400001	2.00 P.M.	<ul style="list-style-type: none"> i. appointment of Mr. Rushank V. Shah to an office or place of profit in the Company pursuant to Section 314 (1) of the Companies Act, 1956. ii. appointment of Mr. Khilen V. Shah to an office or place of profit in the Company pursuant to Section 314 (1) of the Companies Act, 1956.
2011-2012	November 7, 2012	Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	10.30 A.M.	<ul style="list-style-type: none"> i. payment of commission pursuant to Sections 198 and 309 (4) of the Companies Act, 1956, to Non-Wholetime Directors of the Company for a period of three financial years from April 1, 2012 to March 31, 2015. ii. issue of shares pursuant to Section 81 (1A) of the Companies Act, 1956 and Chapter VIIIA of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended. iii. amendment of Article 193 of the Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956
2012-2013	September 30, 2013	Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	10.30 A.M.	No special resolution was passed in the meeting.

The special resolutions for the financial year 2010-2011 which were put to vote by show of hands were passed with requisite majority and the special resolutions for the financial year 2011-2012 which were put to vote by show of hands were passed unanimously.

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

No Extraordinary General Meetings were held during the last three financial years i.e. 2010-2011, 2011-2012 and 2012-2013 respectively.

CORPORATE GOVERNANCE REPORT (CONTD.)

POSTAL BALLOT :

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

Financial Year	Date of passing of the resolution	Nature of the resolution Ordinary / Special	Particulars of the resolution	% of votes in favour of the resolution
2013 - 2014	December 31, 2013	Special Resolution	Appointment of Mr. Rushank V. Shah to an Office or Place of Profit under the Company pursuant to the provisions of Section 314 (1B) of the Companies Act, 1956.	99.99 %
		Special Resolution	Appointment of Mr. Khilen V. Shah to an Office or Place of Profit under the Company pursuant to the provisions of Section 314 (1B) of the Companies Act, 1956.	99.99 %
		Special Resolution	Alteration of Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956.	99.99 %

The votes cast assenting to the abovementioned special resolutions are 99.99 % of the total votes polled and consequently all the said special resolutions have been passed with requisite majority. The results of the above Postal Ballot have been posted on the Company's website.

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

Subsequent to the close of the Financial Year 2013-2014, the following resolutions were passed through Postal Ballot pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 :

Sr. No.	Particulars	Type of resolution
1.	Authority to the Board of Directors of the Company to borrow monies in excess of the paid-up share capital and free reserves of the Company pursuant to Section 180 (1) (c) of the Companies Act, 2013.	Special
2.	Authority to the Board of Directors for creation of charges on the movable and immovable properties of the Company pursuant to Section 180 (1) (a) of the Companies Act, 2013.	Special
3.	Invitation / acceptance of deposits from the members of the Company and the public pursuant to Sections 73 and 76 of the Companies Act, 2013.	Special
4.	Make offer(s) or invitation for subscription to Non-convertible Debentures on private placement basis pursuant to Section 42 of the Companies Act, 2013.	Special
5.	Amendment of the terms of appointment of the Managing Director of the Company pursuant to Section 196 (4) of the Companies Act, 2013.	Ordinary

The votes cast assenting to the each of the abovementioned resolutions were 99.99 % of the total votes polled and consequently all the said resolutions were passed with requisite majority. The results of the above Postal Ballot which were declared on July 22, 2014, along with the Scrutinizer's Report have been posted on the Company's website.

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

5. SUBSIDIARIES:

Explanation 1 to Clause 49 III of the Listing Agreement defines a 'material non-listed Indian Subsidiary' as an unlisted subsidiary incorporated in India, whose turnover or networth (i.e. paid-up capital and free reserves) exceeds 20 % of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any 'material unlisted Indian Subsidiary' during the year under review. Hence, it is not mandatory to have an Independent Director of the Company on the Board of such subsidiary company.

CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

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

6. CODE OF CONDUCT :

The Board of Directors has adopted Code of Business Conduct and Ethics for the Board of Directors and Senior Management Personnel of the Company in terms of Clause 49 I D of the Listing Agreement. All Board members and Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2014. A declaration to this effect signed by the Managing Director is appended at the end of this report.

The said Code of Conduct can be viewed on the Company's website – www.hubtown.co.in.

7. INSIDER TRADING :

Code of Conduct for Prevention of Insider Trading :

The Company has formulated and adopted the 'Hubtown Code of Conduct for Prevention of Insider Trading' as prescribed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended. The Code prescribes the detailed procedures and guidelines to be followed while dealing in the securities of the Company. The Code is applicable to all Directors and Designated Employees and their dependants, who are expected to have access to unpublished price sensitive information relating to the Company. The rationale behind the Code is to prevent trading in shares of the Company by persons, who are in the management of the Company or are close to them on the basis of 'undisclosed price sensitive information' about the Company, which they possess but is not available to others.

The Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

By its terms, all Directors and Designated Employees, etc. are restricted from dealing in the shares of the Company during 'restricted periods' notified by the Company from time to time. Further, the Directors and Designated Employees who buy and sell any number of shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy during the next six months following the prior transaction and from taking positions in derivative transactions in the equity shares of the Company.

In compliance with the provisions of the said Code, all Directors and Designated Employees have disclosed their dealings, if any, in the shares of the Company including disclosures regarding changes in their shareholding during the financial year and position as at the end of the financial year. Since the Company's shares are not being currently traded in the F&O segment of BSE and NSE, no Director or Designated Employee has taken positions in derivative transactions in the shares of the Company at any time during the year under review.

8. FINANCIAL REPORTING AND INTERNAL CONTROLS CERTIFICATION

As required by Clause 49 V of the Listing Agreement, a certificate confirming the correctness of the financial statements, the cash flow statements and the internal control systems for financial reporting was taken on record at the board meeting convened for approval of the audited financial results of the Company for the year under review.

9. DISCLOSURES :

a. Transactions with Non-Executive Directors

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

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

The Company has not entered into any other transaction of a material nature with the Promoters, Directors or the Management, their Subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The Company's major related party transactions are generally with its subsidiaries, associates, joint ventures and partnership firms in which the Company is a partner. The related party transactions are entered into based on the consideration of various business exigencies and the Company's long term strategy. However, such transactions were carried out on normal commercial arms length basis and were not prejudicial to the interest of the Company.

CORPORATE GOVERNANCE REPORT (CONTD.)

Transactions with related parties entered into by the Company in the normal course of business are placed before the Audit and Compliance Committee. Details of related party transactions as per requirements of Accounting Standard - AS 18 - 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note No. 34 to the Financial Statements in the Annual Report. Except the transactions disclosed under the said Note, there are no other significant related party transactions between the Company and the related parties.

The related party transactions have been reviewed by the Audit and Compliance Committee as required under Clause 49 of the Listing Agreement and found them to be not materially significant.

c. Disclosure of Accounting Treatment :

In the preparation of the financial statements, the Company follows the Accounting Standards prescribed by 'The Companies Accounting Standards Rules, 2006' and relevant provisions of the Companies Act, 1956 and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in the Accounting Standard(s). The significant accounting policies which are consistently applied are set out in Note No. 2 to the Financial Statements.

d. Risk Management :

A system has been established to identify and manage risks associated with the Company, which is monitored on a continuous basis.

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

The Company has complied with all the requirements of the Listing Agreement for equity shares entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI.

f. Proceeds from Public Issue, Rights Issue, Preferential Issue, etc :

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

g. Disclosure by Senior Management to the Board :

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

h. Mandatory requirements :

The Company has complied with the mandatory requirements as stipulated under Clause 49 of the Listing Agreements. The Company has submitted the quarterly compliance report on corporate governance to the stock exchanges within the prescribed time limit.

i. Managing Director / Chief Financial Officer Certificate :

The Managing Director / Chief Financial Officer certification in terms of Clause 49 of the Listing Agreement form part of this Annual Report.

Compliance with Non-mandatory requirements :

Clause 49 of the Listing Agreement states that non-mandatory requirements may be implemented at the discretion of the Company. However, disclosures on compliance with mandatory requirement and adoption / non-adoption of non-mandatory requirements shall be made in the Corporate Governance Report of this Annual Report. The status of compliance of the non-mandatory requirements is as follows :

aa. Non-Executive Chairman's Office :

The Chairman of the Company is an Executive Chairman and hence the provisions pertaining to Non-Executive Chairman are not applicable to the Company. None of the present Non-Executive Independent Directors of the Company have served on the Board for more than nine years in the aggregate.

bb. Remuneration Committee:

The Company has reconstituted the erstwhile Remuneration Committee as Nomination and Remuneration Committee as detailed at Serial No. 3 (II) hereinabove.

CORPORATE GOVERNANCE REPORT (CONTD.)

cc. Shareholder Rights :

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers as well as promptly displayed on the Company's website. The complete Annual Report is sent to every shareholder of the Company and is also available on the Company's website : www.hubtown.co.in.

dd : Audit Qualifications :

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

ee. Training of Board Members :

All members of the Board are experts in their respective fields and well versed with business as well as risk profile of the Company. The Directors are also briefed on changes/developments in the domestic corporate and industry scenario including those pertaining to statutes/legislation and economic environment to enable them to take informed decisions.

ff. Mechanism for evaluating Non-Executive Directors :

The members of the Board are professionals from diverse fields relevant to the business of the Company and have extensive experience and expertise in their respective fields and contribute substantially towards decision making process. Non-Executive Directors add substantial value through the deliberations at the meetings of the Board and Committees thereof. Therefore, this non-mandatory requirement is not considered necessary.

gg. Vigil Mechanism - Whistle Blower Policy :

The Audit and Compliance Committee and the Board have adopted a Whistle Blower Policy and necessary vigil mechanism has been put in place in line with Clause 49 of the Listing Agreement read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, for employees to make protective disclosures to the management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The detailed policy is available on the Company's website : www.hubtown.co.in

hh. The Company is committed to creating and maintaining an atmosphere in which employees can work together, without fear of sexual harassment, exploitation and intimidation. To redress complaints of sexual harassment, the Company has framed a policy on Prohibition and Prevention of Sexual Harassment at Workplace and matters connected therewith, based on "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". Detailed procedure has been laid down in the Policy for reporting of cases of sexual harassment to 'Internal Complaints Committee'. The detailed Policy is available on the Company's website : www.hubtown.co.in

10. MEANS OF COMMUNICATION :

- (i) the main channel of communication to the shareholders is through Annual Report which includes inter-alia, the Directors' Report and Management Discussion and Analysis, Corporate Governance Report and Audited Financial Statements;
- (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 were approved and taken on record within forty-five days of the close of the relevant quarter and the audited financial results for the year ended March 31, 2014 were approved and taken on record within sixty days of the close of the financial year;
- (iv) as per Clause 41 of the Listing Agreement, the Company was mandatorily required to publish the audited financial results for the financial year ended March 31, 2014 within a period of sixty days from the close of the financial year and hence the unaudited financial results for the last quarter of the financial year were not published;
- (v) the approved financial results are forthwith sent to the Listed Stock Exchanges and are published in widely circulated national and local daily newspapers such as 'Free Press Journal' and 'Navshakti', within forty-eight hours of approval thereof. The same are not being sent to the shareholders separately;
- (vi) the Company also informs through intimation to the Stock Exchanges, all price sensitive information; and
- (vii) Management Discussion & Analysis forms part of the Annual Report, which is posted / forwarded by e-mail to the shareholders of the Company.

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

12. GENERAL SHAREHOLDER INFORMATION :

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

13. COMPLIANCE CERTIFICATE OF PRACTISING COMPANY SECRETARY :

A Practising Company Secretary Mr. Ashish Bhatt has certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report and Management Discussion and Analysis.

The Certificate from the Practising Company Secretary will be sent to the Listed Stock Exchanges alongwith the Annual Report of the Company.

14. SHARE SUSPENSE ACCOUNT :

Pursuant to Clause 5A of the Listing Agreement, the status of the equity shares lying in the Suspense Account is given below :

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2013.	21	282
Number of shareholders who approached for transfer of shares from suspense account during the year 2013-2014.	----	----
Number of shareholders to whom shares were transferred from suspense account during the year 2013-2014.	----	----
Aggregate number of shareholders and the outstanding shares in the suspense account at the end of the year i.e. March 31, 2014.	21	282

The voting rights on these shares are frozen till the rightful owner of such shares claims the shares.

15. WEBSITE :

The Company's [website www.hubtown.co.in](http://www.hubtown.co.in) contains a separate dedicated section 'Investor Relations' which provides information to the shareholders on shareholding pattern as at the end of each quarter, the Chairman's speech, the quarterly unaudited and annual audited financial results, annual reports, postal ballot notices and results, details of unpaid dividend, Code of Business Conduct and Ethics, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy and Prevention of Sexual Harassment of Women at Workplace Policy, etc. in a user-friendly manner. This Section is regularly updated.

CORPORATE GOVERNANCE REPORT (CONTD.)

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Clause 49 (ID) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with Hubtown Limited Code of Business Conduct and Ethics, as applicable to them, for the Financial Year ended March 31, 2014.

For **Hubtown Limited**

Vyomesh M. Shah
Managing Director
DIN : 00009596

Mumbai, August 14, 2014

CERTIFICATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

Pursuant to Clause 49 (V) of the Listing Agreement with the Stock Exchanges, we, the undersigned hereby certify that :

- a. We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2014 and that to the best of our knowledge and belief :
 - (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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2014 which are fraudulent, illegal or violative of the Company's Code of Business Conduct and Ethics Conduct;
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We 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
- d. We further certify that we have indicated to the Auditors and the Audit and Compliance Committee that :
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting;

For **Hubtown Limited**

Vyomesh M. Shah
Managing Director
DIN : 00009596

Anil Ahluwalia
Chief Financial Officer

Mumbai, May 29, 2014

CORPORATE GOVERNANCE REPORT (CONTD.)

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CLAUSE 49 COMPLIANCE – CORPORATE GOVERNANCE

**To the Members of
Hubtown Limited**

Certificate on Clause 49 Compliance - Corporate Governance

We have examined the records concerning the compliance of conditions of Corporate Governance by Hubtown Limited ("the Company") for the year ended on 31 March 2014, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

For Ashish Bhatt & Associates
Company Secretaries

Ashish Bhatt
Membership No 4650
CP No 2956

Date: August 14, 2014
Place: Mumbai