

ANNUAL REPORT 2011-2012

HUBTOWN

HUBTOWN

Contents

Notice of Annual General Meeting	2-11
Report of the Directors & Management Discussion and Analysis	12-21
Corporate Governance Report	22-37
Shareholder Information	38-44
STANDALONE FINANCIALS	
Auditors' Report	46-49
Balance Sheet	50
Statement of Profit and Loss	51
Cash Flow Statement	52
Notes to Financial Statements	53-91
CONSOLIDATED FINANCIALS	
Auditors' Report	92-93
Balance Sheet	94
Statement of Profit and Loss	95
Cash Flow Statement	96
Notes to Financial Statements	97-130
Statement pursuant to Section 212 (8) of the Companies Act, 1956 Summary of Financial Statements of Subsidiary Companies	131-132

HUBTOWN

Board of Directors

HEMANT M. SHAH	<i>Executive Chairman</i>
D. R. KAARTHIKEYAN	<i>Independent Director</i>
ABHIJIT DATTA	<i>Independent Director</i>
ARVIND KUMAR JOSHI	<i>Independent Director</i>
SHAILESH H. BATHIYA	<i>Independent Director</i>
VYOMESH M. SHAH (VIMAL M. SHAH)	<i>Managing Director</i>
MADHUKAR B. CHOBE	<i>Executive Director</i>

Committees of the Board

AUDIT AND COMPLIANCE COMMITTEE

SHAILESH H. BATHIYA	<i>Chairman</i>
D. R. KAARTHIKEYAN	
ARVIND KUMAR JOSHI	
VYOMESH M. SHAH	

REMUNERATION COMMITTEE

ABHIJIT DATTA	<i>Chairman</i>
D. R. KAARTHIKEYAN	
ARVIND KUMAR JOSHI	

SHAREHOLDERS'/ INVESTORS' GRIEVANCES COMMITTEE

ARVIND KUMAR JOSHI	<i>Chairman</i>
HEMANT M. SHAH	
MADHUKAR B. CHOBE	

COMPANY SECRETARY

CHETAN S. MODY

STATUTORY AUDITORS

HARIBHAKTI & CO., *Chartered Accountants*
DOSHI DOSHI & ASSOCIATES, *Chartered Accountants*

INTERNAL AUDITORS

MAHAJAN & AIBARA, *Chartered Accountants*
AXIS RISK CONSULTING SERVICES PRIVATE LIMITED

REGISTERED OFFICE

'HUBTOWN SOLARIS', 2ND FLOOR
N.S. PHADKE MARG, OPP. TELLI GULLY
NEAR HOTEL REGENCY, ANDHERI (EAST)
MUMBAI 400 069

REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED
C-13, PANNALAL SILK MILLS COMPOUND
LAL BAHADUR SHASTRI MARG
BHANDUP (WEST), MUMBAI 400 078

BANKERS

CANARA BANK
CENTRAL BANK OF INDIA
DENA BANK
HDFC BANK LIMITED
ICICI BANK LIMITED
IDBI BANK LIMITED
KOTAK MAHINDRA BANK
PUNJAB NATIONAL BANK
STATE BANK OF PATIALA
UCO BANK
UNION BANK OF INDIA



HUBTOWN LIMITED

(formerly Ackruti City Limited)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF HUBTOWN LIMITED WILL BE HELD ON WEDNESDAY, NOVEMBER 7, 2012 AT 10.30 A.M. AT WALCHAND HIRACHAND HALL, 4TH FLOOR, INDIAN MERCHANTS' CHAMBER BUILDING, INDIAN MERCHANTS CHAMBER MARG, CHURCHGATE, MUMBAI 400020 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Madhukar B. Chobe, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint M/s. Doshi Doshi Associates, Chartered Accountants and M/s. Haribhakti & Co., Chartered Accountants as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Audit and Compliance Committee / Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modifications, the following resolutions :

As an Ordinary Resolution :

5. "RESOLVED THAT Mr. Abhijit Datta, who was appointed as a Director on May 16, 2011 in the casual vacancy caused by the resignation of Mr. Shailesh Haribhakti whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, alongwith the requisite deposit proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

As an Ordinary Resolution :

6. "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) ('the Act') and the relevant provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Hemant M. Shah as Wholetime Director of the Company (designated as 'Executive Chairman') for a period of five years with effect from January 1, 2012 to December 31, 2016, on the terms and conditions including the payment of remuneration, perquisites and benefits as set out below and incorporated in the Agreement dated January 20, 2012 and Supplemental Agreement dated May 30, 2012, entered into by the Company with the Executive Chairman :

I. Salary :

- a. ₹ 11,00,000 per month in the scale of ₹ 9,00,000 - ₹ 15,00,000 for the period from January 1, 2012 to March 31, 2012; and
- b. ₹ 5,40,000 per month with effect from April 1, 2012 onwards in the scale of ₹ 5,00,000 – ₹ 15,00,000 per month with authority to the Board of Directors of the Company ('the Board') to grant such increments within the said scale as it may determine from time to time based on the recommendations of the Remuneration Committee.

II. Performance Incentive :

Not exceeding 100 % of the annual salary. The specific amount payable to the Executive Chairman shall be determined by the Board / Remuneration Committee, due and payable after adoption of annual accounts for each financial year.

III. Perquisites :

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

NOTICE (CONTD.)

CATEGORY - A

(i) Housing :

- a. The Executive Chairman shall be entitled to House Rent Allowance @ 60 % of the salary for the period January 1, 2012 to March 31, 2012; and
- b. The Executive Chairman shall be entitled to House Rent Allowance of ₹ 8,00,000 per annum with effect from April 1, 2012 onwards.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.

- (ii) Medical Reimbursement: Expenses incurred for the Executive Chairman and his family as per the Rules of the Company.
- (iii) Leave Travel Concession : For self and his family, once a year, not exceeding one month's basic salary. The entitlement for any one year not availed shall be allowed to be accumulated upto two years.
- (iv) Club Fees : Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance: Premium on Personal Accident Policy as per the Rules of the Company.
- (vi) Any other allowances, benefits and perquisites as may be determined by the Board of Directors of the Company from time to time.

For the purpose of Category 'A', family means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY - B

- (i) Contribution to Provident Fund in accordance with the approved scheme of the Company will not be included in the computation of the ceiling on perquisites.
- (ii) Gratuity payable shall be calculated as per the provisions of 'The Payment of Gratuity Act, 1972'.
- (iii) Leave as per the Rules of the Company and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY - C

Use of Company cars for official duties and adequate communication facilities at residence shall not be considered as perquisites.

IV. Overall Remuneration :

The aggregate of salary, performance incentive and perquisites in any one financial year payable to the Executive Chairman shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may be for the time being in force.

V. Minimum Remuneration :

Where in any financial year during the tenure of Mr. Hemant M. Shah as Executive Chairman, the Company has no profits or its profits are inadequate, the remuneration payable to the Executive Chairman shall be in accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, as may for the time being be in force.

RESOLVED FURTHER THAT Mr. Hemant M. Shah, Executive Chairman shall not be liable to retire by rotation during his term of office;

RESOLVED FURTHER THAT the Agreement dated January 20, 2012 and the Supplemental Agreement dated May 30, 2012 appointing the Executive Chairman and setting out the remuneration and other terms and conditions of such appointment, submitted to this meeting be and are hereby specifically approved;

RESOLVED FURTHER THAT the terms and conditions of the reappointment of Mr. Hemant M. Shah as Executive Chairman and payment of his remuneration may be varied, altered, increased from time to time by the Remuneration Committee / Board as it may in its absolute discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Act or any amendment made hereinafter in this regard;

NOTICE (CONTD.)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise with regard to the said reappointment as it may in its absolute discretion deem fit and to delegate all or any of its powers herein conferred to Remuneration Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to the aforesaid resolutions.”

As an Ordinary Resolution :

7. “RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) (‘the Act’) and the relevant provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the reappointment of Mr. Vyomesh M. Shah as Managing Director of the Company for a period of five years with effect from January 1, 2012 to December 31, 2016, on the terms and conditions including the payment of remuneration, perquisites and benefits as set out below and incorporated in the Agreement dated January 20, 2012 and Supplemental Agreement dated May 30, 2012, entered into by the Company with the Managing Director :

I. Salary :

- a. ₹ 10,00,000 per month in the scale of ₹ 8,00,000 - ₹ 14,00,000 for the period from January 1, 2012 to March 31, 2012; and
- b. ₹ 4,80,000 per month with effect from April 1, 2012 onwards in the scale of ₹ 4,50,000 – ₹ 14,00,000 per month with authority to the Board of Directors of the Company (‘the Board’) to grant such increments within the said scale as it may determine from time to time based on the recommendations of the Remuneration Committee.

II. Performance Incentive :

Not exceeding 100 % of the annual salary. The specific amount payable to the Managing Director shall be determined by the Board/Remuneration Committee, due and payable after adoption of annual accounts for each financial year.

III. Perquisites :

Perquisites are classified into three categories viz. ‘A’, ‘B’ and ‘C’ as follows :

CATEGORY - A

(i) Housing :

- a. The Managing Director shall be entitled to House Rent Allowance @ 60 % of the salary for the period January 1, 2012 to March 31, 2012; and
- b. The Managing Director shall be entitled to House Rent Allowance of ₹ 8,00,000 per annum with effect from April 1, 2012 onwards.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.

- (ii) Medical Reimbursement : Expenses incurred for the Managing Director and his family as per the Rules of the Company.
- (iii) Leave Travel Concession : For self and his family, once a year, not exceeding one month’s basic salary. The entitlement for any one year not availed shall be allowed to be accumulated upto two years.
- (iv) Club Fees : Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance: Premium on Personal Accident Policy as per the Rules of the Company.
- (vi) Any other allowances, benefits and perquisites as may be determined by the Board of Directors of the Company from time to time.

For the purpose of Category ‘A’, family means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY - B

- i. Contribution to Provident Fund in accordance with the approved scheme of the Company will not be included in the computation of the ceiling on perquisites.

NOTICE (CONTD.)

- ii. Gratuity payable shall be calculated as per the provisions of 'The Payment of Gratuity Act, 1972'.
- iii. Leave as per the Rules of the Company and encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY - C

Use of Company cars for official duties and adequate communication facilities at residence shall not be considered as perquisites.

IV. Overall Remuneration :

The aggregate of salary, performance incentive and perquisites in any one financial year payable to the Managing Director shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may be for the time being in force.

V. Minimum Remuneration :

Where in any financial year during the tenure of Mr. Vyomesh M. Shah as Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to the Managing Director shall be in accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, as may for the time being in force.

RESOLVED FURTHER THAT Mr. Vyomesh M. Shah, Managing Director shall not be liable to retire by rotation during his term of office;

RESOLVED FURTHER THAT the Agreement dated January 20, 2012 and Supplemental Agreement dated May 30, 2012, appointing the Managing Director and setting out the remuneration and other terms and conditions of such appointment, submitted to this meeting be and are hereby specifically approved;

RESOLVED FURTHER THAT the terms and conditions of the reappointment of Mr. Vyomesh M. Shah as Managing Director and payment of his remuneration may be varied, altered, increased from time to time by the Remuneration Committee/ Board as it may in its absolute discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Act or any amendment made hereinafter in this regard;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise with regard to the said reappointment as it may in its absolute discretion deem fit and to delegate all or any of its powers herein conferred to Remuneration Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to the aforesaid resolutions."

As an Ordinary Resolution :

8. "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) ('the Act') and the relevant provisions of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Madhukar B. Chobe as Wholetime Director of the Company (designated as 'Executive Director') for a period of one year with effect from January 1, 2012 to December 31, 2012, on the terms and conditions including the payment of remuneration, perquisites and benefits as set out below and incorporated in the Agreement dated January 20, 2012 and Supplemental Agreement dated May 30, 2012 entered into by the Company with the Executive Director :

I. Salary :

- a. ₹ 4,50,000 per month in the scale of ₹ 4,00,000 - ₹ 6,00,000 for the period from January 1, 2012 to March 31, 2012; and
- b. ₹ 4,25,000 per month with effect from April 1, 2012 onwards in the scale of ₹ 4,00,000 - ₹ 6,00,000 per month with authority to the Board of Directors of the Company ('the Board') to grant such increments within the said scale as it may determine from time to time based on the recommendations of the Remuneration Committee.

- II. Gratuity payable shall be calculated as per the provisions of 'The Payment of Gratuity Act, 1972'.

- III. Use of Company cars for official duties and adequate communication facilities at residence shall not be considered as perquisites.

NOTICE (CONTD.)

IV. Overall Remuneration :

The aggregate of salary payable to the Executive Director during his tenure shall not exceed the limits prescribed under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being be in force.

V. Minimum Remuneration :

Where in the financial year during the tenure of Mr. Madhukar B. Chobe as Executive Director, the Company has no profits or its profits are inadequate, the remuneration payable to the Executive Director will be in accordance with the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956, as may for the time being be in force.

RESOLVED FURTHER THAT the Agreement dated January 20, 2012 and the Supplemental Agreement dated May 30, 2012, appointing the Executive Director and setting out the remuneration and other terms and conditions of such appointment, submitted to this meeting be and are hereby specifically approved;

RESOLVED FURTHER THAT the terms and conditions of the reappointment of Mr. Madhukar B. Chobe as Executive Director and payment of his remuneration may be varied, altered, increased from time to time by the Remuneration Committee / Board as it may in its absolute discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Act or any amendment made hereinafter in this regard;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise with regard to the said reappointment as it may in its absolute discretion deem fit and to delegate all or any of its powers herein conferred to Remuneration Committee of Directors and/or director(s) and/or officer(s) of the Company, to give effect to the aforesaid resolutions."

As a Special Resolution :

9. "RESOLVED THAT pursuant to the provisions of Sections 198, 309 (4) and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof for the time being in force, the Non-Wholetime Directors of the Company excluding the Wholetime Directors and the Managing Director, in addition to the sitting fees being paid to them for attending the meetings of the Board or its Committees, be paid every year for a period of three financial years with effect from April 1, 2012 to March 31, 2015, commission of an amount not exceeding 1 % of the annual net profit of the Company computed in accordance with the provisions of Sections 198, 349 and 350 of the said Act, subject to an overall ceiling of ₹ 40,00,000 (Rupees Forty Lacs only), with authority to the Board of Directors of the Company ('the Board') to distribute the commission amongst such Directors in such manner as the Board may determine from time to time."

As a Special Resolution :

10. "RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) as also the provisions of Chapter VIII-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'ICDR Regulations'), and also in terms of the provisions of the Foreign Exchange Management Act, 1999 ('FEMA') and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to all necessary approvals, consents, permissions and/or sanctions of the Government of India ('GOI'), Reserve Bank of India ('RBI'), the Securities and Exchange Board of India ('SEBI') and/or any statutory or regulatory or other appropriate authorities including banks, financial institutions or other creditors, and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot such number of equity shares, such that the total number of equity shares held by the 'Public' (as defined in the Securities Contracts (Regulations) Rules, 1957 as amended) immediately at the completion of such offerings shall not be less than 25% of the total number of outstanding shares as at the date of allotment of such equity shares as resolved under the foregoing resolution, to Qualified Institutional Buyers (QIBs) as defined in the ICDR Regulations pursuant to an Institutional Placement Programme ('IPP') in accordance with Chapter VIII-A of the ICDR Regulations;

NOTICE (CONTD.)

RESOLVED FURTHER THAT :

- (a) the equity shares to be created, issued, offered and allotted, shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- (b) the 'Relevant Date' for the purposes of determining the floor price of the equity shares would be in accordance with the guidelines prescribed by SEBI, RBI, GOI or any other regulator as applicable;
- (c) the equity shares that may be issued by the Company shall rank pari passu with the existing equity shares of the Company in all respect; and
- (d) the equity shares so allotted shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange in India or except as may be permitted from time to time by the SEBI Guidelines;

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Solicitors and Advocates, Advisors and all such agencies as may be involved or concerned in such offerings of equity shares and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc. with such agencies and also to seek listing of such equity shares on one or more national and/or international stock exchange(s);

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the terms and timing of the Issue(s), including but not limited to finalization and approval of the preliminary as well as the final offer document(s), issue price, premium amount on issue as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all such acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s) without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members 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 authorized to finalise and approve the offer document/circular/notices for the proposed issue of equity shares and to authorize any director or directors and/or any other officer or officers of the Company to sign the above documents for and on behalf of the Company together with authority to amend, vary or modify the same as such authorized person may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorized person be required from time to time, and to arrange for submission of the offering circular / placement document, and any amendment(s) and supplement(s) thereto, with any applicable stock exchange(s) (whether in India or abroad), government and regulatory authorities, institutions or bodies, as may be required;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Directors or any other officer or officers of the Company to give effect to these resolutions."

As a Special Resolution :

11. "RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, the Articles of Association of the Company be and is hereby amended in the following manner :

'Existing Article 193 relating to 'The Seal - its custody and use' be and is hereby deleted and the following new Article 193 be substituted in place and stead thereof :

193. The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal and it shall never be used except by the authority of the Board of Directors or a Committee of the Directors previously given. Every deed or other instrument to which the Seal of the Company shall be affixed shall be signed by anyone Director or the Company Secretary or the Assistant Company Secretary or by such other person as may be authorised in that behalf by the Directors, provided nevertheless that certificates of shares may be under the signatures of such persons as provided by the Companies (Issue of Share Certificates) Rules, 1960 in force from time to time. Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by any one Director, or the Secretary or any other officer authorised in that behalf by the Board and need not be under its Seal.'

NOTICE (CONTD.)

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required with power to settle all questions, difficulties or doubts that may arise with regard to the said amendment as it may in its absolute discretion deem fit and to delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to the aforesaid resolution.”

Registered Office :
'Hubtown Solaris', 2nd floor
N. S. Phadke Marg, Opp. Telli Gully
Andheri (East), Mumbai 400 069

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

September 8, 2012

Chetan S. Mody
Company Secretary

Notes :

1. **A PERSON ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy Form should be lodged with the Company atleast 48 hours before the scheduled commencement of the Meeting.
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 setting out the material facts concerning the Special Business at Item Nos. 5 to 11 of the accompanying Notice is annexed hereto.
4. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from September 14, 2012, to September 21, 2012 (both days inclusive) in connection with the AGM and for the purpose of dividend.
5. The dividend as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after November 12, 2012 to those members whose names appear in the Company's Register of Members as on the book closure dates after giving effect to valid share transfers in physical form lodged with the Company/Registrar and Share Transfer Agents on or before the aforesaid dates. In respect of the shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
6. Members having any questions on the Annual Report are requested to send their queries atleast ten days before the Annual General Meeting, which will enable the Company to furnish the replies at the Annual General Meeting.
7. Members are requested :
 - a. to notify immediately any change in their registered addresses alongwith PINCODE number to their respective Depository Participants (DPs) in respect of equity shares held in electronic form and to the Registrar and Share Transfer Agent of the Company at M./s. Link Intime India Private Limited in respect of equity shares held in physical form; and
 - b. to register their e-mail address and changes therein from time to time with M/s. Link Intime India Private Limited for shares held in physical form and with their respective Depository Participants for shares held in demat form.
8. Pursuant to Clause 49 (VI) (G) (i) of the Listing Agreement with the Stock Exchanges, a brief note on the background and the functional expertise of the Directors seeking reappointment/appointment at the ensuing Annual General Meeting is provided in the Section on 'Corporate Governance' forming part of this Annual Report.
9. For proper conduct of the meeting, entry to the place of the meeting will be regulated by Attendance Slip, which is annexed to the Proxy Form. Members/Proxies are requested to bring the Attendance Slip complete in all respect and signed at the place provided thereat and hand it over at the entrance of the meeting venue.
10. The Annual Report of the Company for the year 2011-2012 circulated to the members of the Company will also be made available on the Company's website www.hubtown.co.in.

NOTICE (CONTD.)

11. Members holding shares in demat/electronic form are hereby informed that bank particulars registered with their respective depository participants will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participants of the members.
12. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
13. All documents referred to in the Notice and Explanatory Statement requiring approval of the Members at the Meeting and other statutory registers shall be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturdays, Sundays and public holidays from the date hereof upto the date of the Meeting or any adjournment(s) thereof.
14. **Members who desire to take part in the Green Initiative of the Company are requested to register their e-mail address with the Company by filling up the 'E-communication Registration' Form printed at the end of this Annual Report and send the duly filled in Form to the Company at its Registered Office or to M/s. Link Intime India Private Limited, Registrar & Share Transfer Agent of the Company. Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants.**

Registered Office :
'Hubtown Solaris', 2nd floor
N. S. Phadke Marg, Opp. Telli Gully
Andheri (East), Mumbai 400 069

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

Chetan S. Mody
Company Secretary

September 8, 2012

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act').

Item No. 5

The Board of Directors of the Company at its meeting held on May 16, 2011 appointed Mr. Abhijit Datta as Director to fill the casual vacancy caused by the resignation of Mr. Shailesh V. Haribhakti. In terms of Section 262 of the Act read with Article 140 of the Articles of Association of the Company, Mr. Abhijit Datta holds office as Director only upto the date of this Annual General Meeting, as Mr. Shailesh V. Haribhakti, in whose place he has been appointed, would have retired by rotation at this Annual General Meeting, had he not resigned.

The Company has received a notice in writing alongwith requisite deposit of ₹ 500/- from a member under Section 257 of the Act proposing the candidature of Mr. Abhijit Datta as a Director of the Company.

The Board commends the resolution as set out at Item No. 5 of the accompanying notice for approval of the members.

Except for Mr. Abhijit Datta, no other Director of the Company is concerned or interested in the said resolution.

Item Nos. 6, 7 & 8

The Board of Directors of the Company at its meeting held on December 27, 2006 reappointed (i) Mr. Hemant M. Shah as Wholetime Director designated as Executive Chairman for a period of 5 (five) years with effect from January 1, 2007 to December 31, 2011; (ii) Mr. Vyomesh M. Shah as Managing Director for a period of 5 (five) years with effect from January 1, 2007 to December 31, 2011; and (iii) Mr. Madhukar B. Chobe as Wholetime Director designated as Executive Director for a period of 5 (five) years with effect from January 1, 2007 to December 31, 2011. The aforesaid appointments were approved by the Members of the Company at the Nineteenth Annual General Meeting held on September 6, 2007.

Based on the recommendations of the Remuneration Committee, the Board of Directors of the Company at its meeting held on November 11, 2011, unanimously approved the reappointment of : (i) Mr. Hemant M. Shah as Wholetime Director designated as Executive Chairman for a further period of 5 (five) years, with effect from January 1, 2012 to December 31, 2016; (ii) Mr. Vyomesh M. Shah as Managing Director for a further period of 5 (five) years, with effect from January 1, 2012 to December 31, 2016; and (iii) Mr. Madhukar B. Chobe as Wholetime Director designated as Executive Director for a period of 1 (one) year with effect from January 1, 2012 to December 31, 2012 on the terms and conditions contained in the Agreements dated January 20, 2012 executed between the Company and the Executive Chairman, the Managing Director and the Executive Director respectively.

NOTICE (CONTD.)

In the light of a slowdown in the Indian economy and a forecast of subdued growth, the Board of Directors at its meeting held on May 30, 2012 accepted the recommendations of the Remuneration Committee for a downward revision in the remuneration payable to the Executive Chairman, the Managing Director and the Executive Director. Accordingly, Supplemental Agreements dated May 30, 2012 incorporating therein the revised salary grades and the revised terms and conditions of the aforesaid reappointments were executed between the Company and the Executive Chairman, the Managing Director and the Executive Director respectively.

The Directors consider that the reappointment of Mr. Hemant M. Shah as Executive Chairman, Mr. Vyomesh M. Shah as Managing Director and Mr. Madhukar B. Chobe as Executive Director will better serve the interests of the Company.

Mr. Hemant M. Shah, Mr. Vyomesh M. Shah and Mr. Madhukar B. Chobe satisfy all the conditions set out in Part I of Schedule XIII to the Act for being eligible for reappointment.

The Board commend the resolutions set out at Item Nos. 6, 7 & 8 of the accompanying Notice for your approval.

Except for Mr. Hemant M. Shah, Mr. Vyomesh M. Shah and Mr. Madhukar B. Chobe, no Director of the Company is concerned or interested in the said resolutions.

This Explanatory Statement is and should be treated as an abstract of the Terms and Memorandum of Interest under Section 302 of the Act.

Item No. 9

The members of the Company had at the Annual General Meeting of the Company held on August 25, 2008 approved the payment of commission to the Non-Wholetime Directors of the Company, of an amount not exceeding 1 % of the annual net profit of the Company computed in accordance with the provisions of Sections 198, 349 and 350 of the said Act, subject to an overall ceiling of ₹ 40.00 lacs (Rupees Forty Lacs only) for three financial years commencing from April 1, 2009 to March 31, 2012. The Board of Directors approved such payment of commission to Non-Wholetime Directors from April 1, 2009. However, the resolution of the members approving the payment of commission was in force upto the financial year ended March 31, 2012 and needs to be renewed.

Accordingly, a fresh approval of the members is sought by way of a special resolution for payment of commission to the Non-Wholetime Directors for a period of three years from April 1, 2012 to March 31, 2015 as set out in the resolution at Item No.9 of the accompanying Notice.

None of the Directors other than Mr. D. R. Kaarthikeyan, Mr. Abhijit Datta, Mr. Arvind Kumar Joshi and Mr. Shailesh Bathiya, are interested in this resolution.

Item No.10

Rule 19A of 'Securities Contract (Regulations) Rules, 1957 read with Clause 40A of the Listing Agreements executed by the Company with the Stock Exchanges provide for a mandatory public shareholding of atleast 25 % for all listed companies. Listed companies that have public shareholding of less than 25 % are required to increase their public shareholding to 25 % in the manner prescribed by Securities and Exchange Board of India (SEBI).

SEBI has, pursuant to an amendment to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations') on January 30, 2012 introduced an additional mode through which companies currently not in compliance with the minimum level of public shareholding requirements may do so by issue of fresh equity shares only to Qualified Institutional Buyers ('QIBs') which shall not result in an increase in public shareholding by more than 10 % percent or such lesser percent as is required to achieve the prescribed minimum public shareholding. Such an Issue, known as 'Institutional Placement Programme ('IPP'), may be taken in one or more tranches in compliance with Chapter VIII-A of the ICDR Regulations.

The Board may in its discretion increase the level of public shareholding in the Company by issue of fresh shares through IPP, subject to receipt of requisite approvals where necessary and the then prevailing market conditions. The funds raised by IPP will be utilised inter-alia, to retire high cost debts, explore the scope of any new business opportunities including business acquisitions, capital expenditures, financing new business initiatives, meeting additional working capital requirements arising out of growth in operations and for general corporate purposes. Such further issue of shares would strengthen its financial profile that would support the Company's growth trajectories, its working capital position, and the management of its long term debt liabilities.

NOTICE (CONTD.)

One of the conditions to make a fresh issue of equity shares through an IPP is that the shareholders of the Company should have specifically approved an issuance of equity shares through the IPP route. Accordingly, the special resolution at Item No. 10 of the accompanying Notice is essentially an enabling one and relates to proposal to create, issue, offer and allot equity shares to QIBs under IPP in accordance Chapter VIII-A of the ICDR Regulations and seeks to give adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with lead managers, underwriters, legal advisors and experts or such other authority or authorities as need to be consulted in relation to the pricing of the issue which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provisions of the Act, rules, regulations or guidelines.

Section 81(1A) of the Act inter-alia provides that whenever it is proposed to increase the subscribed capital of the Company by issue of further shares, such shares shall first be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise by a special resolution. Since the new shares are proposed to be offered to persons other than the existing shareholders of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Act and in terms of the listing agreements executed by the Company with the Stock Exchanges where the Company's equity shares are listed.

The Board commends the special resolution as set out at Item No.10 of the accompanying Notice for your approval.

No Director of the Company is concerned or interested in the said resolution.

Item No. 11

In order to facilitate execution and registration of various documents inter-alia with the Registrar of Sub-Assurance and other entities namely the lenders, bankers, financial institutions and other bodies corporate, it is proposed to amend the Article relating to affixation of the Common Seal of the Company to various documents, in the manner as set out in the special resolution at Item No. 11 of the accompanying Notice.

The Board commends the special resolution for the approval of the members.

No Director of the Company is concerned or interested in the said resolution.

Registered Office :
'Hubtown Solaris', 2nd floor
N. S. Phadke Marg, Opp. Telli Gully
Andheri (East), Mumbai 400 069

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

Chetan S. Mody
Company Secretary

September 8, 2012

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

TO

THE MEMBERS

Your Directors have pleasure in presenting their Twenty Fourth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS :

The salient features of the Company's standalone and consolidated financial results for the year under review are as follows :

(₹ in lacs)

	STANDALONE		CONSOLIDATED	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Net Sales / Income from Operations	26044	42610	43491	67705
Other Income	17235	13519	15558	12271
Total Income	43279	56129	59049	79976
Operating Expenditure	11202	16880	22278	33316
Profit before Depreciation / Interest / Tax	32077	39249	36771	46660
Depreciation	703	484	1406	1285
Interest and Finance Charges	28095	23201	33106	27878
Profit before Extraordinary Items and Tax	3279	15564	2259	17497
Extraordinary Items	(350)	—	(353)	—
Profit before Tax	2929	15564	1906	17497
Provision for Tax	—	435	493	2445
Add / (Less) Excess / (Short) provision for taxation in respect of earlier years	1246	2029	1714	3827
Deferred Tax Credit / (Charge)	415	(33)	341	45
Prior Period Adjustments (net)	(605)	23	(596)	(412)
Minority Interest / Share of Profit / (Loss) of Subsidiaries & Associates / Others	—	—	(503)	(894)
Net Profit for the Year	3985	17148	2369	17618
Balance Profit brought forward from Previous Year	65369	59707	65611	59478
Amount available for appropriation	69354	76854	67980	77096
APPROPRIATIONS				
Debenture Redemption Reserve	3000	7475	4450	7475
Proposed Dividend	727	1818	727	1818
Dividend Distribution Tax	118	302	118	302
General Reserves	—	1890	—	1890
Balance carried to Balance Sheet	65509	65369	62685	65611
Earning per Share before Extraordinary Items (₹) (EPS)	5.96	23.58	3.74	24.22
Earning per Share after Extraordinary Items (₹) (EPS)	5.48	23.58	3.26	24.22

OPERATIONAL HIGHLIGHTS :

The year under review was a very difficult year for the world economy including the Indian economy, the real estate sector and your Company, with stagnancy/slowdown having permeated the global and Indian economy, resulting in a kind of economic downturn with decreased sales and pressure on profit margins.

The consolidated turnover of the Company was lower by 26.16 % at ₹ 59049 lacs as against ₹ 79976 lacs in the previous year. The consolidated net profit stood at ₹ 2369 lacs as against ₹ 17618 lacs in the previous year.

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

On a standalone basis the total income of the Company was lower by 22.89 % at ₹ 43279 lacs as against ₹ 56129 lacs in the previous year. A significant increase in cost of funds has had an impact on Profit before Tax which stood at ₹ 2929 lacs as against ₹ 15564 lacs in the previous year. The net profit stood at ₹ 3985 lacs as against ₹ 17148 lacs in the previous year.

The performance of the Company was impacted by reduced turnover combined with the burden of fixed overheads like finance cost and personnel cost. The inflationary trend in the economy increased the input costs, thereby putting pressure on margins.

On the other hand, affordability was the biggest concern for the buyers. During the year 2011, Reserve Bank of India continued its stance of keeping the policy rates high and announced 7 rate hikes in the year. The banks responded with similar hikes in lending rates. The increase in prime lending rates at commercial banks and other housing finance institutions alongwith charges such as Stamp Duty, Service Tax and VAT became a major deterrent for home buyers to take loans for buying residential real estate, as a result of which residential sales slumped markedly.

APPROPRIATIONS :

An amount of ₹ 3000 lacs (₹ 7475 lacs) is credited to Debenture Redemption Reserve. Out of the amount available for appropriation, your Directors have recommended a dividend of ₹ 1 /- (10 %) (Previous Year : ₹ 2.50 per share - 25 %) per equity share of the face value of ₹ 10 each for the year ended March 31, 2012, aggregating ₹ 727 lacs (Previous Year : ₹ 1818 lacs). The dividend distribution tax amounts to ₹ 118 lacs (Previous Year : ₹ 302 lacs).

The dividend payout for the year under review has been formulated in accordance with the Company's policy of striving to maintain a stable dividend payout linked to performance and keeping in view the Company's need for capital to finance its growth plans through internal accruals to the maximum. Your Directors believe that this will subsequently lead to an increase in shareholders' value in the long term.

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

This Report includes MD&A at appropriate places so that repetition and overlap between Directors' Report and MD&A is avoided.

THE BUSINESS :

Your Company is one of the leading real estate development companies in India 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, SEZs, IT Park, Biotech Park and Build Operate Transfer (BOT) Projects. Operations of the Company include identification of projects, acquisition of land / development rights, architectural and engineering designing, project management including obtaining necessary approvals, planning, execution and marketing of the projects.

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

The Company's presence in Mumbai is well distributed amongst western suburbs, eastern suburbs, the island city and Mumbai Metropolitan Region (MMR).

The construction and development of projects at various locations is currently in progress.

Your Company has already initiated steps for sustaining growth through cost optimization, process improvement and efficient management of working capital. Tools of innovation are employed for any new project / marketing initiative, the purpose being to constantly stay ahead in terms of ideas.

OVERVIEW OF THE COMPANY'S PROJECTS

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

Residential:

Ongoing Projects:

Hubtown Sunmist - Andheri (East)
Hubtown Countrywoods Phase I - Kondhwa, Pune
Hubtown Shikhar - Andheri (East)
Hubtown Gardenia - Mira Road
Hubtown Greenwoods - Thane
Hubtown Jewell - Andheri (West)

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

Hubtown Vedant – Sion (East)
Hubtown Harmony - Matunga (East)
Rising City – Ghatkopar Mankhurd Link Road

Commercial:

Ongoing Projects

Hubtown Solaris – Andheri (East)
Hubtown Viva – Andheri (East)
Hubtown Central – Surat
Hubtown Central – Ahmedabad
Hubtown Central – Mehsana
Hubtown Central - Vadodara

IT SEZ and Township

Ongoing

Sunstream City Phase – I - Mulund-Thane

ECONOMIC OVERVIEW :

¹ After suffering a major setback during 2011, global prospects are gradually strengthening again, but downside risks remain elevated. Improved activity in the US during the second half of 2011 and better policies in the Euro area in response to its deepening economic crisis have reduced the threat of a sharp global slowdown. Accordingly, weak recovery will likely resume in the major advanced economies, and activity is expected to remain relatively solid in most emerging and developing economies. Global growth is projected to drop from about 4 percent in 2011 to about 3½ percent in 2012 because of weak activity during the second half of 2011 and the first half of 2012. The reacceleration of activity during the course of 2012 is expected to return global growth to about four percent in 2013. Real GDP growth in the emerging and developing economies is projected to slow down from 6¼ per cent in 2011 to 5¼ percent in 2012 but then to reaccelerate to 6 percent in 2013, helped by easier macroeconomic policies and strengthening foreign demand. But the risk of things turning bad again in Europe is high.

INDIAN ECONOMY :

² According to the Advance estimates released by the Central Statistics Office (CSO) GDP growth for 2011-2012 is pegged at 6.9% from earlier forecast of 7%, but only marginally higher than the 6.7% growth seen in 2008-2009, the year of global economic crisis. Investment which was worse affected, underwent a mild contraction in April – December 2011 in year-on-year terms, relative to a growth of 8.9% in the same months of 2010-2011, reflecting a dampening of business sentiments and the pace of execution of various projects.

² Uncertainty about demand conditions given the global outlook and its likely contagion effect; regulatory issues including environmental clearances and land acquisition; as well as sector specific factors like availability of coal and iron ore have impacted investment. Other contributory factors included an increase in interest rates to dampen high inflation and a slow-down in decision-making in various crucial areas. At the same time, while the fiscal policy remains expansionary, higher outgo towards items of non-plan revenue expenditure such as subsidies limited the fiscal space available for boosting infrastructure spending by the public sector. Investment growth is likely to remain sluggish in 2012-2013 as well, unless policy issues are addressed and there is a substantial pick-up in the pace of implementation of big ticket economic reforms.

INDUSTRY OVERVIEW :

The real estate sector is a major driver of economic growth and is the second largest employer after agriculture contributing a significant portion of GDP. The health of the nation's real estate sector is often seen as indicative of its overall economic health. The real estate sector's backward and forward linkages with the housing and construction industry, and more than 250 ancillary industries including cement, steel and other building materials, place this sector as the epic center of India's growth story. The sector provides a means of livelihood for millions of household in India, next only to agriculture and acts as a catalyst for adding momentum to the growth of the Indian economy.

The real estate sector has evolved quite well over the past few years, while also witnessing a period of recession, which rather provided an opportunity to retrospect, resurrect and consolidate. As per the Department of Industrial Policy and Promotion data, the sector attracted investment to the tune of USD 708 million between April 2011 – February 2012. Real Estate Sector is the fifth largest sector in terms of cumulative FDI inflows in the country having attracted investment to the tune of USD 11,089 between April 2000 to February 2012.

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

THE YEAR IN RETROSPECT

The year 2011 was characterized by a series of challenges both on domestic and external fronts. Political instability, issues related to governance, land acquisition, delays in regulatory processes and project clearances have weighed down on aggregate demand. Despite prohibitive property prices, sharp rise in home loan interest rates, fluid stock market, overall inflationary pressure and effects of global slump, the real estate sector in 2011 fared relatively better than expected. The first three quarters of 2011 witnessed high levels of leasing activity in malls, IT space and even sales in residential property. However, the scene changed mid-October 2011 with mounting European crisis, devaluation of the rupee and negative business sentiments.

- Residential Real Estate

Residential demand is the mainstay of the Indian real estate sector. The major demand drivers for the residential market include increasing disposable income levels, a rapidly growing middle class, increased urbanization, increase in the number of nuclear families/households, tax savings on home mortgage products and heightened customer expectations. Despite strong fundamentals backing the residential real estate, the segment is highly influenced by economic cycles.

³ The residential real estate market was sluggish in 2011. Sales dropped in prime cities of India. Cautious buyer sentiment prevailed due to the adverse impact of the prevailing macro-economic factors such as rising interest rates and surging inflation. The spate of hikes in interest rates by Reserve Bank of India (12 times over past 18 months) led to a steep rise in the EMIs of home loan borrowers. While rising home loan rates exerted pressure on buyers, developers were constrained by the rising cost of construction and debt.

Rising input costs caused the developers to slow down on construction and new launches. Capital values increased to a limited extent. On the whole, higher prices and rising finance costs resulted in dampening of property sales during the year.

- Commercial Real estate

The commercial office space in India has evolved significantly in the past 10 years due to change in business environment. The growth of commercial office space in India has been dominated by the Information Technology and the Information Technology enabled Services segment - IT/ITES, which has been the driving force for commercial real estate growth in India. Demand for office space is directly linked to addition in number of employees, which in turn is dependent on economic growth. When economy slows down, companies hold their expansion plans leading to lower demand for office space.

⁴ An accumulation of vacant stock, weak global economic cues, coupled with delays in expansion plans of occupiers and transaction closures led to more than 40 % decline in overall supply of new prime office space in the leading cities of the country during the year 2011. The continuing volatility in the global and Indian financial markets, combined with rising inflation and interest rates led corporates and developers to be cautious in their expansion plans.

The tight liquidity situation, high interest costs and uncertain demand were deterrents for the developers to construct. Absorption figures too witnessed a decline during the past year. The prevailing market conditions led to an approximate 12% decline in overall absorption of office space during the year 2011. Approximately 28 million sq. ft. of prime office space was absorbed in 2011, which was lower than the year 2010 which absorbed approximately 32 million sq. ft. of office space across key cities. The office space absorption across India's seven largest cities dropped 12% quarter-on-quarter in the January - March 2012 period due to uncertain economic conditions and the Eurozone crisis.

OPPORTUNITIES:

- Residential

⁵ Housing shortage still remains one of the biggest challenges for India. Residential property market in India from 2011-2015 is likely to witness a demand of 3.94 million housing units, growing at a steady pace of 11% compounded annual growth rate. Of this, 2.3 million units will be the demand from the top seven cities alone.

The Low Income Group and Economically Weaker Section Housing segments will continue to see a high demand-supply gap in the next five years. Several policy reforms by the Government of India and the State Governments are expected to have an impact on the demand supply scenario.

The housing demand and supply scenario and the resulting gap is likely to reduce in the next five years. Of the total demand in the top 7 cities, the mid-range housing segment is expected to drive the maximum demand. On the other hand, the affordable segment of the property market which is likely to register approximately 3 times more demand than supply might see gap increasing during the next five years.

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

- Commercial

⁵The cumulative pan India demand for commercial office space in next five years (2011-2015) is expected to be 267 million sq. ft. Availability of talent pool for IT/ITES Sector, quality supply at comparatively lower prices and supporting government policies are a few factors which drive demand in the top 7 cities. As per the research, the supply will be exceeding the demand for commercial office spaces in the next five years at the prevailing economic conditions. However, with an improvement in the overall situation, the demand may accelerate. On the contrary, if the pace of growth is slow, during the next five years, it may lead to increasing vacancy. Having analysed the trend in major seven cities, it is noted that the demand by the end of 2015 is still not likely to exceed or meet the pre-recessionary time indicating a gradual recovery mode.

THREATS :

The challenges which the real estate sector continue to face are in the form of high input costs, shortage of skilled labour and cyclical nature of the sector. The prices of cement and steel, which form a major component of the construction cost continue to remain at high levels and should come down substantially. Another major challenge facing the real estate sector is the management of multi-faceted indirect tax levies such as VAT, Service Tax and Labour Tax which, combined with delayed approvals escalate costs for the end-users.

The recent hike in the rate of stamp duty in the State Budget on conveyance deeds in order to rationalize the stamp duty structure has made home buying proposition dearer. Developers would continue to face challenges considering the current marginal rise in various taxes towards procuring land, besides escalation in prices of raw materials. Additionally, the two percentage point hike in service tax - from ten percent to twelve percent - will push up input costs for developers whose margins are already under pressure.

The inordinate delays in approval of real estate projects, taking upwards of 18 months, results in the cost of the real estate project shooting up substantially. The need of the hour is a single window clearance. Quicker approval means quicker cash flows for developers; a direct reduction in sale price, benefitting consumers and removal of stigma associated with delays.

India's political and social landscape is a blend of diverse ideologies, religions and cultures. Despite offering a more stable environment for business and investment than other South Asian countries, India is not immune to the political upheaval, terrorist activities and economic strikes that are found within the region. Also, absence of a single regulator to monitor business practises prevailing in India real estate market is perceived to be a risk factor by investors.

The primary constraint for foreign investments in India is the availability of exit options. Since the liberalization of FDI norms, significant foreign investments have flown into real estate; but availability of suitable exit options for such investments is still constrained. Creation of financial products and instruments providing for exit options will go a long way in adding depth and maturity to the real estate market.

RISKS AND CONCERNS :

The Company operates in an environment which is affected by various factors, some of which are controllable, while some are outside the control of the Company. The management monitors the risk management activities on a regular basis in addition to scanning for any new risks that may arise due to changes in business environment. While the possibility of a negative impact due to one or more such risks cannot be totally precluded, the Company proactively takes reasonable steps to mitigate significant risks that may affect it.

Real Estate Sector Specific Risks

- Continued uncertainty and impact of the credit crunch - tighter credit is just one threat to real estate from the crunch; the economic downturn affects commercial vacancy rates as well as property valuations.
- Global economic and market fluctuations - due to capital flows and business expansion, the real estate sector has become a truly global industry and, as such, is increasingly susceptible to global market fluctuations.
- Impact of aging or inadequate infrastructure - a lack of key transit and utility infrastructure is a threat to economic and real estate growth.
- Changing demographics - aging and urbanizing populations are changing competitive dynamics and creating new markets in real estate.
- Financial Risk - liquidity crisis on account of stoppage of lending funds to real estate sector by banks, financial institutions and other lending agencies, leading to stoppage of development activity.
- Interest Rate Risk - possibility of interest rate fluctuation on borrowed funds.
- Operational Risks - longer gestation period for acquisition of land, non-availability of critical raw materials such as cement and steel, failure to comply with rules and regulations.
- Volatility in the prices of critical raw materials; shortage of skilled labour; inability to complete and deliver projects according to schedule.

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

- Human Resource Risk – high attrition of skilled/trained manpower.
- Policy and Regulatory Risk – unfavourable changes in the government policies and the regulatory environment could impact adversely the performance of real estate companies.
- High debt levels of Indian major real estate companies.

The Company is mitigating these risks by way of qualitative market research, faster decision making, and by taking a fresh look at its entire set of processes, apart from undertaking proactive approach towards problem resolution.

FUTURE OUTLOOK :

Going forward, the sector is expected to be in the grip of slowdown atleast till the first half of the current fiscal 2012-13. Things may improve only in the latter half if the economy improves and political stability is back to push key reforms

The Government's initiative through the Lok Pal Bill and the proposed Land Acquisition, Rehabilitation and Resettlement Bill exhibit the country's attempt to have a consistent, progressive and dynamic socio economic environment, conducive for growth.

Further, much depends on the improvement of sentiments in the European market. The depreciation of rupee is going to benefit companies which are heavily dependent on international trade like IT, ITES and export-oriented companies. They are also the major contributors to the demand of commercial as well as residential spaces. If there is an improvement in the European market, sentiments will improve further which in turn will have a positive impact on the Indian realty market.

Presently, the need of the hour is to focus on achieving operational efficiencies to improve construction productivity, delivery of the projects on hand with the help of technological advances and commitment to improve delivery capabilities including up-skilling of existing manpower. Therefore, efficiency, innovation and cutting edge technology may well be the keys to success, in addition to improved project delivery and execution skills and addressing the rampant capacity constraints across the built environment.

The Finance Minister in his Budget for 2012-13 announced budgetary support in the form of extension of the scheme of interest subvention of 1 % on housing loan upto ₹ 15 lacs; provision under rural housing of ₹ 4,000 crores; setting up Credit Guarantee Trust Fund to ensure better flow of institutional credit for housing loans; and allowing ECBs for low cost housing projects will also act as a catalyst for boosting growth. The fundamentals of the Sector are good and its growth should continue in the foreseeable future. Overall, the sentiment for 2012 is expected to be one of cautious optimism.

SUSTAINABLE DEVELOPMENT :

The Company had adopted for all its projects, sustainable construction process aimed at reducing the consumption of energy, water and other resources, as also minimizing the output of waste and environmental hazards, and thereby reduce the carbon footprint of its projects.

INTERNAL CONTROLS :

The Company has in place adequate systems of internal controls commensurate with its size and the nature of its operations. These have been designed with the objective of (a) safeguarding the Company's assets; (b) ensuring that the transactions are properly authorized; and (c) providing significant assurance of the integrity, objectivity and reliability of financial information. The Internal Audit firms appointed by the Company conduct periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with the laws and regulations of the country. Their reports are reviewed at Audit and Compliance Committee meetings. Internal Auditors also report on the implementation of recommendations. The Joint Statutory Auditors also attend and participate in the Audit Committee meetings to convey their views to the Audit Committee on the adequacy of internal control systems in the Company.

The Audit and Compliance Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggest improvements for strengthening them. The internal controls are constantly upgraded based on internal audit recommendations. Your Company's Statutory Auditors have confirmed the adequacy of the internal control system.

HUMAN RESOURCES:

Human resources are an integral and important part of any organization. The Company appreciates its human capital and believes that its employees are one of the key elements to its business success. The Company believes in continuous learning process and hence focuses towards streamlining existing processes and systems for better productivity. Roles and responsibilities are clearly defined at all levels. The work environment provided to the employees is very challenging and performance oriented, recognising employee potentials alongwith providing them with opportunities. As on March 31, 2012, the Company had 208 employees on its roll.

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

FINANCE :

Issue of Debentures :

During the year under review, the Company issued Secured, Redeemable, Non-convertible Taxable Debentures amounting to ₹ 7500.00 lacs on private placement basis.

Debenture Series – 10,000 Secured Redeemable Non-convertible Taxable Debentures having a face value of ₹ 1.00 lac per debenture, aggregating ₹ 10,000 lacs which were issued in the previous year (2010-2011) have been listed on Wholesale Debt Market segment of BSE during the year under review.

The Company has transferred an amount of ₹ 3000 lacs to Debenture Redemption Reserve in accordance with the applicable provisions of the Companies Act, 1956.

AUDITORS :

M/s. Doshi Doshi & Associates, Chartered Accountants and M/s. Haribhakti & Co., Chartered Accountants, Joint Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, have offered themselves for reappointment. The Board of Directors, upon the recommendations of the Audit and Compliance Committee, proposes the reappointment of M/s. Haribhakti & Co. and M/s. Doshi Doshi & Associates as. Joint Statutory Auditors of the Company.

M/s. Doshi Doshi & Associates and M/s. Haribhakti & Co. have forwarded their respective certificates to the Company, stating that their appointment if made, would be within the limits specified in that behalf under Section 224 (1) (b) of the Companies Act, 1956. The necessary resolution is included in the Notice of the ensuing Annual General Meeting.

AUDITORS' REPORT

The Notes forming part of the Financial Statements (Balance Sheet and the Statement of Profit and Loss) for the year ended March 31, 2012, referred to in the Auditors' Report are self explanatory. In terms of sub-section (3) of Section 217 of the Companies Act, 1956, the managements's replies to certain observations/qualification of the Statutory Auditors in their Report on the financial statements for the year ended March 31, 2012 are as hereunder:

- a. Paragraph 5 of the Auditor's Report on Standalone Financial Statements and paragraph 7 of the Auditors' Report on Consolidated Financial Statements.

The matter of emphasis included by the Statutory Auditors in their respective Reports are self explanatory and need no further elaboration.

- b. Paragraph 5 of the Auditor's Report on Consolidated Financial Statements.

The Management is of the view that the non-inclusion of the audited financial numbers of the said joint venture (JV) in the consolidated financial statements of the Company is inconsequential as the income of the said JV constitutes an insignificant portion of the total revenue of the group. So far as the assets of the said JV is concerned, a significant portion of the assets of the said JV comprises of land acquired during the earlier years which has been supported by the audited financial statements of the said years.

In case of the associate having two step down subsidiaries, the share of loss of the said associate has already been accounted for while preparing the consolidated financial statements of the Company. The Management is of the view that there would not be any material change in the reported figures in the consolidated financial statements even after completion of the audit of the consolidated financial statements of the said associate.

- c. Paragraph 6 of the Auditor's Report on Standalone Financial Statements and Paragraph 8 of the Auditors' Report on Consolidated Financial Statements.

The observations made by the Statutory Auditors is self explanatory and needs no further elaboration.

- d. Paragraph 7 of the Auditor's Report on Standalone Financial Statements and paragraph 10 of the Auditor's Report on Consolidated Financial Statements – Balances of Trade Payables and Advances to suppliers.

Balance confirmation letters were sent out to creditors. However, all the confirmations have not been received. The management is certain that no significant consequential adjustment will be necessitated due to non-receipt of balance confirmations from the creditors.

- e. Paragraph 9 of the Auditors' Report on Consolidated Financial Statements – Inter Company Transactions

The Company compiles details of inter-company transactions for elimination purposes, from the related party disclosures of each of the group entities, which disclosures have been audited by the Statutory Auditors of the respective entities. As such, the Management is of the view that no adjustments would be required in the figures reported in the consolidated financial statements.

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

f. Clause 9 (a) of the Annexure referred to in Paragraph 3 of the Auditor's Report:

As mentioned in the operational highlights, the operational cash flows were impacted adversely due to decreased sales and pressure on profit margins. This has resulted in some delays in payment of some statutory dues during the year. The Company is arranging for cash flows from operations / other sources to make good the delays at the earliest.

CONSOLIDATED ACCOUNTS :

In terms of Clause 41 of the Listing Agreement executed with the Stock Exchanges, the Consolidated Financial Statements which have been prepared in accordance with Accounting Standards - AS-21, AS-23 and AS-27 as issued by the Institute of Chartered Accountants of India, are annexed to and form part of the Annual Report.

FIXED DEPOSITS :

Total amount of deposits outstanding as on March 31, 2012 was ₹ 2591.84 lacs. There were no unclaimed / unpaid deposits as at the year end.

INSURANCE :

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

INFORMATION TECHNOLOGY :

The IT initiatives have consistently been used to streamline the business processes, improve operational efficiencies and reduce costs. The Company aims at seamless integration of its business operations and an IT platform to provide real time information and help in improving decision-making process and in turn lead to greater operational efficiencies.

During the year under review, the Company successfully implemented Oracle Customer Relationships Management software. In the current year, the Company plans to initiate online tendering system and roll out Oracle Project Management software which would help the Company better manage its projects under execution. The Company's IT systems are periodically audited to ensure the adequacy of Information Systems control, Information Security and privacy aspects.

CORPORATE SOCIAL RESPONSIBILITY :

As part of corporate social responsibility, your Company has wholeheartedly supported the circulars on 'Green Initiative in the Corporate Governance' issued by the Ministry of Corporate Affairs allowing paperless compliances by companies by service of notices /documents to the members through electronic mode. Recognising the spirit of the said circular, the Company has forwarded this annual report in electronic form to those members who have registered their e-mail addresses with the Depositories through their respective Depository Participants.

CORPORATE GOVERNANCE :

A separate section on Corporate Governance, forming part of the Directors' Report and a Certificate from a Company Secretary in wholetime practice confirming compliance with Corporate Governance norms, as prescribed under Clause 49 of the Listing Agreement has been annexed hereto as part of this Annual Report.

In terms of sub-clause (v) of Clause 49 of the Listing Agreement, a certificate from the Managing Director and the Chief Finance Officer, inter alia, confirming the correctness of the financial statements, adequacy of internal control measures and reporting of matters to the Audit and Compliance Committee in terms of the said Clause, is also annexed as a part of this Annual Report.

CORPORATE GOVERNANCE - VOLUNTARY GUIDELINES 2009

The Ministry of Corporate Affairs has issued a set of Voluntary Guidelines on 'Corporate Governance' and 'Corporate Social Responsibility' in December 2009. These guidelines are expected to serve as a benchmark for the Corporate Sector and also help them in achieving the highest standard of corporate governance. Although these guidelines are recommendatory in nature, the Board recognizes the importance and need to constantly assess governance practices thereby ensuring a sustainable business environment that generates long-term value to all key stakeholders. The Board has adopted several provisions of the said guidelines.

CHANGE OF NAME OF THE COMPANY :

Pursuant to the special resolution passed by the shareholders by Postal Ballot on October 20, 2011, the name of the Company was changed to 'HUBTOWN LIMITED'. The new corporate identity represented by the new name 'HUBTOWN LIMITED' and new Logo has come into effect from October 31, 2011.

INCIDENCE OF FIRE :

During the year under review, a major fire took place at the registered office of the Company on December 23, 2011 completely destroying the office premises as also the office records, documents, furniture and fixtures, equipment, computers and personal belongings of the employees. However, there was no loss of human life. The office premises and the assets were

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

fully insured and the Company has filed necessary claims with the insurance company. The Board acknowledges the commendable role played by few employees in moving to safety several vital documents and records from the burning premises.

Notwithstanding the catastrophe of vast magnitude, the Company resumed normal operations from various locations across the city of Mumbai from December 26, 2011- a stupendous achievement solely due to untiring efforts of the employees of the Company who left no stone unturned towards that end.

RELOCATION OF THE REGISTERED OFFICE :

In the aftermath of the fire and pursuant to the resolution of the Board of Directors dated December 26, 2011, the registered office of the Company was shifted to its present premises at 'Hubtown Solaris', 2nd floor, N. S. Phadke Marg, Opp. Telli Gully, Andheri (East), Mumbai 400069.

SUBSIDIARIES :

During the year under review, the following companies ceased to be subsidiaries of your Company :

- Ackruti Campus of Education and Research Private Limited
- Ackruti City Magnum Limited
- Harmony Erectors Private Limited
- Jihant Housing Private Limited
- Nova Realty Private Limited
- Sunmist Builders Private Limited
- Superaction Realty Private Limited

The total number of subsidiaries as on March 31, 2012 were 26.

Pushpak Healthcare Services Private Limited, ceased to be a subsidiary subsequent to the close of the year under review.

There has been no material change in the nature of the business of the subsidiaries. All the subsidiary companies are non-material, non-listed subsidiary companies as defined under Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

In terms of the general exemption under Section 212 (8) of the Companies Act, 1956 granted by the Ministry of Corporate Affairs (MCA) vide its General Circular No.2/2011 dated February 8, 2011 and in compliance with the conditions enlisted therein, the Audited Statement of Accounts and the Auditors' Report thereon for the financial year ended March 31, 2012 along with the Reports of the Board of Directors of the subsidiary companies have not been annexed to this Annual Report. However, as directed by the aforesaid MCA Circular, the summarized financials of the subsidiary companies have been disclosed in the consolidated balance sheet under the heading 'Summary of Financial Statements of Subsidiary Companies' which forms part of this Annual Report.

The annual accounts and the related detailed information of the subsidiary companies will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and will also be kept for inspection by any member of the Company/its subsidiaries at the registered office of the Company and that of the respective subsidiary companies during working hours between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

DIRECTORS :

At the meeting of the Board of Directors of the Company held on May 16, 2011, Mr. Abhijit Datta and Mr. Arvind Kumar Joshi were appointed as Non-Executive Independent Directors to fill the casual vacancies caused by the resignations of Mr. Shailesh V. Haribhakti and Mr. P. H. Ravikumar respectively.

Pursuant to Section 262 of the Companies Act, 1956 read with Article 140 of the Articles of Association of the Company, Mr. Abhijit Datta holds office upto the date of the ensuing Annual General Meeting as Mr. Shailesh Haribhakti in whose place he has been appointed, would have retired by rotation at the ensuing Annual General Meeting had he not resigned. The Company has received notice from a member under Section 257 of the Companies Act, 1956 along with requisite deposit proposing his appointment as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Madhukar B. Chobe, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.

The Board of Directors, at its meeting held on November 11, 2011, based on the recommendations of the Remuneration Committee, re-appointed Mr. Hemant M. Shah as Wholetime Director (designated as 'Executive Chairman'), Mr. Vyomesh M. Shah as Managing Director and Mr. Madhukar B. Chobe as Wholetime Director (designated as 'Executive Director') of the Company, subject to the approval of the members at the ensuing Annual General Meeting.

The brief profile of Mr. Abhijit Datta, Mr. Hemant M. Shah, Mr. Vyomesh M. Shah and Mr. Madhukar B. Chobe as required by Clause 49 of the Listing Agreements has been detailed in the Section on 'Corporate Governance'.

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

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 274 (1) (g) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Directors of the Company, to the best of their knowledge and belief and on the basis of the information and explanations received by them, hereby state and confirm that :

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) the accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

STATUTORY INFORMATION :

Since the Company is not engaged in any manufacturing activity, the other particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable. Expenditure incurred in foreign currency amounted to ₹ 172.28 lacs. There was no earning in foreign exchange.

PARTICULARS OF EMPLOYEES :

During the year under review, 3 (three) employees employed throughout the year were in receipt of remuneration of ₹ 60 lacs or more per annum. In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

APPRECIATION :

Your Directors would like to express their grateful appreciation and thanks for the valuable co-operation and support received from the Company's bankers, financial institutions, business associates, suppliers, consultants, customers and contractors and shareholders at large during the year under review and look forward to the same in greater measure in the coming years.

The Directors also wish to place on record their appreciation of the unstinted efforts and contributions made by the Management Team and the employees of the Company at all levels.

CAUTIONARY STATEMENT

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

For and on behalf of the Board

Hemant M. Shah
Executive Chairman

Mumbai, May 30, 2012

¹ - IMF - World Economic Outlook : Growth Resuming, Dangers Remain. April 2012

² - Source : ICRA Rating Feature March 2012

³ - Jones Lang La Salle Report.

⁴ - CBRE Report

⁵ - Cushman & Wakefield and Global Real Estate Institute's annual report " Embracing Change - Scripting the future of Indian Real Estate"

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate Governance is the evolution of a system by which the values, principles, management policies and procedures of a corporation are inculcated and manifested. Corporate Governance influences how the objectives of a company are set and achieved, how risk is monitored and assessed, and how performance is optimized.

Effective Corporate Governance structures encourage companies to create value, through entrepreneurialism, innovation, development and exploration, and provide accountability and control systems commensurate with the risks involved.

The detailed report on implementation by the Company, of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges, is set out below :

MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance envisages attainment of transparency, accountability and propriety in the total functioning of the Company and in the conduct of its business internally and externally, including its interactions with employees, shareholders, creditors, consumers, and institutional and other lenders.

The Company believes that its systems and actions must be dovetailed for enhancing the performance and shareholder value in the long term.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in Clause 49 of the Listing Agreements as applicable from time to time. The Company has complied with all the mandatory requirements of the said Clause, which are stated hereunder :

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY :

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and rich experience in a wide spectrum of functions including finance, management, economics, public policy and law. They have proven judgment and competence in understanding and guiding the Company's performance and strategy.

The present strength of the Board of Directors is seven, whose composition is given below :

- two Promoter, Executive Directors
- one Non-Promoter, Executive Director
- four Non-Promoter, Non-Executive, Independent Directors

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 of the Listing Agreements) across all companies in which they are Directors. The Board does not have any Nominee Director representing any institution.

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

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that atleast fifty percent of the Board should consist of Non-Executive Independent Directors if the Chairman of the Board is an Executive Director.

The names and categories of Directors, the number of Directorships and Committee positions held by them in companies are given below :

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 <i>Executive Chairman</i>	Promoter, Executive, Non-Independent	1	—	—	Related to Mr. Vyomesh M. Shah
Mr. D. R. Kaarthikeyan	Non-Promoter, Non-Executive, Independent	10	—	1	} Not related to any other Director of the Company
Mr. Shailesh H. Bathiya	Non-Promoter, Non-Executive, Independent	—	—	—	

CORPORATE GOVERNANCE REPORT (CONTD.)

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. 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	6	—	—	
Mr. Madhukar B. Chobe <i>Executive Director</i>	Non-Promoter, Non-Independent, Executive	2	—	—	
Mr. Vyomesh M. Shah <i>Managing Director</i>	Promoter, Non-Independent, Executive	4	1	1	Related to Mr. Hemant M. Shah

(*) - excludes Alternate Directorships, Directorships in Indian Private Limited Companies and Foreign Companies and membership of Managing Committees of various bodies.

@ - Member includes Chairman.

Only memberships of Audit Committee and Shareholders'/Investors' Grievances Committee are considered.

TENURE :

The present term of the Executive Chairman and the Managing Director is of five years each and that of the Executive Director for one year. Except for the Executive Chairman and the Managing Director, the other Directors of the Company, as eligible, are liable to retire by rotation. One-third of the said Directors are liable to retire every year and if eligible, offer themselves for reappointment.

RESPONSIBILITIES :

The primary role of the Board is that of trusteeship to protect and enhance shareholders' value and in optimizing long term value by providing the management with guidance and strategic direction on shareholders' behalf. The Board's mandate is to oversee the Company's strategic operations, review corporate performance, authorise and monitor strategic investment, ensure regulatory compliance and safeguard interests of 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.

In terms of Clause 49 of the Listing Agreement, the Independent Directors on the Company's Board :

- apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates which may affect their independence;
- are not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- have not been executives of the Company in the immediately preceding three years;

CORPORATE GOVERNANCE REPORT (CONTD.)

- d. are not partners or executives, or were not partners or executives, during the preceding three years, of any of the following :
- Statutory audit firm or the Internal audit firm that is associated with the Company;
 - Legal firm(s) and consulting firm(s) that have a material association with the Company;
- e. are not material suppliers, service providers or customers or lessors or lessees of the Company which may affect their independence;
- f. are not substantial shareholders of the Company i.e. owning two percent or more of the block of voting shares; and
- g. are not less than 21 years of age.

BOARD PROCEDURE :

The Board meets atleast once a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are often made. The Agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases, the same is tabled at the meeting. 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 next Board Meeting.

The information as specified in Annexure I to Clause 49 of the Listing Agreements is regularly made available to the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, of the overall performance of the Company. Senior management is invited to attend the Board Meetings as and when required so as to provide additional inputs to the items being discussed by the Board.

The minutes of each Board/Committee Meetings are circulated in draft to all Directors for their confirmation before being recorded in the minutes book. The minutes of the Board Meetings of unlisted subsidiary companies are tabled at the Board Meetings. The Board periodically reviews the statement of significant transactions and arrangements entered into by the unlisted subsidiary companies.

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

Mr. Hemant M. Shah

Mr. Hemant M. Shah, 59 years, has been the Chairman of the Company since incorporation i.e. February 16, 1989 and Executive Chairman since October 10, 2003. He is a Civil Engineer from Mumbai University having 30 years of experience in executing various large projects involving military contracts, government projects, private contracts and real estate developments. Mr. Hemant M. Shah has vast and varied experience in execution and management of a wide variety of construction projects. Mr. Hemant M. Shah presently controls construction, planning, execution, marketing, sales and developing new business functions. He is a member of the Committee of Directors and the Shareholders' /Investors' Grievances Committee. Mr. Hemant M. Shah holds 58,00,000 equity shares in the Company.

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

Name of the Company	Board Position held	Committee Membership
Dharni Properties Private Limited	Director	Nil
Vega Developers Private Limited (subsidiary)	Director	Nil
Rare Townships Private Limited	Director	Nil
Akruti Nirman Private Limited	Director	Nil
Akruti City Private Limited	Director	Nil
Ackruti City Private Limited	Director	Nil

CORPORATE GOVERNANCE REPORT (CONTD.)

Mr. Vyomesh M. Shah

Mr. Vyomesh M. Shah, 52 years, is the Managing Director of the Company since December 30, 1996. He has been Director since incorporation of the Company i.e. February 16, 1989. He is a Commerce graduate from Mumbai University and a Chartered Accountant having over 26 years of wide experience and expertise in the field of construction, finance and property development. He is presently the President of the Slum Redevelopers Association and President elect of the Maharashtra Chamber of Housing Industry. He is a member of the Audit and Compliance Committee and the 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
Dharni Properties Private Limited	Director	Nil
Joyous Housing Limited	Director	Nil
Akruti Nirman Private Limited	Director	Nil
Akruti City Private Limited	Director	Nil
Ackruti City Private Limited	Director	Nil
Everest Kanto Cylinders Limited	Director	Audit Committee - Chairman
Hoary Realty Limited	Director	Nil
Vega Developers Private Limited (subsidiary)	Director	Nil

Mr. Madhukar B. Chobe

Mr. Madhukar B. Chobe, 69 years, has been a Director of the Company since April 2, 2004. He holds a Bachelor of Arts degree from Pune University. He has served 7 years in the Indian Army with the Regiment of Artillery, and 23 years in the Indian Administrative Service from where he retired as Secretary to Government of Maharashtra, Public Health Department. He is a member of the Committee of Directors of the Company. Mr. Madhukar B. Chobe does not hold any equity shares in the Company. Mr. Madhukar B. Chobe possesses wide and varied experience and expertise in construction, project management, property development and administration.

The other Directorships of Mr. Madhukar B. Chobe are as under :

Name of the Company	Board Position held	Committee Membership
Adhivitiya Properties Limited	Director	Nil
Citygold Education Research Limited	Director	Nil

Mr. Abhijit Datta

Mr. Abhijit Datta, 64 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 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 has been appointed as Chairman of Asset Reconstruction Company of India. Presently, he is on the Board of 6 companies and acting as advisor to companies - all in diverse sectors such as infrastructure, cable, textile, steel sector, etc.

CORPORATE GOVERNANCE REPORT (CONTD.)

He is the Chairman of the Remuneration Committee of Directors of the Company. 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
Asset Reconstruction Company (India) Limited	Chairman	Nil
Bengal Tea and Fabrics Limited	Director	Nil
Cable Corporation of India Limited	Director	Nil
Super Smelters Limited	Director	Nil
Shelter Infra Projects Limited	Director	Nil
SPS Ispat & Power Limited	Director	Nil

MEETINGS AND ATTENDANCE:

During the financial year ended March 31, 2012, 6 (six) Board Meetings were held on May 16, 2011, May 30, 2011, August 11, 2011, October 10, 2011, November 11, 2011 and February 14, 2012. The maximum gap between two Board Meetings was less than four months.

The 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 August 11, 2011
Mr. Hemant M. Shah	6	Attended
Mr. D. R. Kaarthikeyan	6	Attended
Mr. Abhijit Datta	4	Attended
Mr. Arvind Kumar Joshi	6	Attended
Mr. Shailesh H. Bathiya	6	Attended
Mr. Vyomesh M. Shah	5	Attended
Mr. Madhukar B. Chobe	6	Attended

3. BOARD COMMITTEES :

The Company has constituted 3 (three) Board-level Committees – Audit and Compliance Committee, Remuneration Committee and Shareholders'/Investors' Grievances Committee 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 monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and oversee the integrity and quality of the financial reporting. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company.

The Terms of Reference of the Audit and Compliance Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements as well as in Section 292A of the Companies Act, 1956 and inter-alia includes :

- a. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b. recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and the fixation of audit fees;
- c. approval of payment to Statutory Auditors for any other services rendered by them;
- d. reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - i. matters required to be included in the Director's Responsibility Statement which forms part of the Directors' Report pursuant to Clause (2AA) of Section 217 of the Companies Act, 1956;

CORPORATE GOVERNANCE REPORT (CONTD.)

- 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 judgement by the management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. qualifications in the draft audit report.
- e. reviewing with the management, the quarterly financial statements before submission to the Board for approval;
 - f. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - g. 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;
 - h. discussion with internal auditors any significant findings and follow-up thereon;
 - i. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting the matter to the Board;
 - j. discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - k. to look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
 - l. to review the functioning of the Whistleblower mechanism; and
 - m. carrying out any other function as mentioned in the terms of reference of the Committee;

The Audit and Compliance Committee is empowered pursuant to its terms of reference to :

- investigate any activity within its terms of reference.
- seek information from any employee.
- obtain outside legal or other professional advice.
- secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit and Compliance Committee reviews the following information :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors, if any;
4. Internal audit reports relating to internal control weaknesses; and
5. Risk management policy of the Company.

The Committee also reviews the minutes, financial statements, investments, significant transactions and working of unlisted subsidiaries of the Company.

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, 2012.

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. The Audit and Compliance Committee is constituted in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreements and Section 292A of the Companies Act, 1956. All the members of the Committee are financially literate and have accounting and financial management expertise. The Chairman of the Committee is an Independent, Non-Executive Director.

CORPORATE GOVERNANCE REPORT (CONTD.)

Senior executives are invited to participate in the meetings of the Committee as and when necessary. The representatives of the Statutory Auditors, and the Internal Auditors are permanent invitees to Audit and Compliance Committee meetings. The quorum for the Audit and Compliance Committee Meetings is two Independent Directors. The Company Secretary acts as Secretary to the Committee.

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

Name of the Director		Category
Mr. Shailesh H. Bathiya	Chairman	Independent, Non-Executive
Mr. D. R. Kaarthikeyan	Member	Independent, Non-Executive
Mr. Arvind Kumar Joshi	Member	Independent, Non-Executive
Mr. Vyomesh M. Shah	Member	Promoter, Non-Independent, Executive

MEETINGS AND ATTENDANCE :

During the financial year ended March 31, 2012, 4 (four) Audit and Compliance Committee Meetings were held on May 30, 2011, August 11, 2011, November 11, 2011 and February 14, 2012. The maximum gap between two meetings was less than four months.

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	4
Mr. D. R. Kaarthikeyan	4
Mr. Arvind Kumar Joshi	4
Mr. Vyomesh M. Shah	3

Mr. Shailesh H. Bathiya, Chairman of the Audit and Compliance Committee answered queries from the shareholders at the Annual General Meeting of the Company held on August 11, 2011.

INTERNAL AUDITORS:

M/s. Mahajan & Aibara, Chartered Accountants and M/s. Axis Risk Consulting Services Private Limited 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.

II. REMUNERATION COMMITTEE:

TERMS OF REFERENCE :

- reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Wholetime Directors.
- reviewing the performance of the Managing / Wholetime Directors for recommending to the Board, the quantum of annual increments and performance incentives.

COMPOSITION :

The Remuneration Committee comprises of 3 (three) Directors, all of whom are Independent, Non-Executive Directors. The Chairman of the Committee is an Independent, Non-Executive Director nominated by the Board.

The present composition of the Remuneration Committee is as follows:

Name of the Director		Category
Mr. Abhijit Datta	Chairman	Independent, Non-Executive
Mr. Arvind Kumar Joshi	Member	Independent, Non-Executive
Mr. D. R. Kaarthikeyan	Member	Independent, Non-Executive

Mr. Abhijit Datta, Chairman of the Remuneration Committee was present at the Annual General Meeting of the Company held on August 11, 2011 to provide any clarification on matters relating to managerial remuneration.

CORPORATE GOVERNANCE REPORT (CONTD.)

MEETINGS AND ATTENDANCE :

During the financial year ended March 31, 2012, the Remuneration Committee met 2 (two) times on May 30, 2011 and November 11, 2011, which was attended by all the three members. Subsequent to the close of the year under review, the Remuneration Committee met on May 30, 2012 to consider payment of performance incentive to the Executive Chairman and the Managing Director for the year ended March 31, 2012 and for downward revision in the salary payable to the Executive Chairman, the Managing Director and the Executive Director.

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

REMUNERATION POLICY :

The Remuneration Policy of the Company is performance driven and in considering the remuneration payable to the Directors, the Board/Remuneration Committee considers the performance of the Company, the current trends in the industry, the experience of the appointee(s), their past performance and other relevant factors.

A. Remuneration to Non-Executive Directors :

The Independent Directors play an important role in the governance of the Company and in advising the Board in critical domains like finance, marketing, strategic planning and legal matters. The remuneration of Non-Executive Directors consists of sitting fees and commission not exceeding the limits prescribed under Section 309 of the Companies Act, 1956, which is decided by the Board within the limits approved by the shareholders. 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. For the year ended March 31, 2012, the Non-Executive Directors will be paid an amount of ₹ 9.30 lacs each as commission. 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 above quantum of commission to the Non-Executive Directors. The commission is being paid on uniform basis on the principle of collective responsibility.

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

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

B. Remuneration to Executive Chairman / Managing Director / Executive Director :

The appointment of Executive Chairman / Managing Director and Executive Director is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers the terms of such appointment read with the service rules of the Company. Payment of remuneration to Executive Chairman / Managing Director and Executive Director is governed by the respective Agreements executed between them and the Company. Remuneration paid to Executive Chairman / Managing Director and Executive Director is recommended by the Remuneration Committee, approved by the Board, subject to the overall limits as approved by the shareholders. Attention is invited to Note No.15 (footnote) annexed to the Accounts.

Annual increments are linked to performance and are decided by the Remuneration Committee and recommended to the Board for approval thereof. Performance incentives for the Executive Chairman and the Managing Director are also decided by the Remuneration Committee and recommended to the Board for approval thereof.

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

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

DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2012

NON-EXECUTIVE DIRECTORS :

Name of the Director	Sitting Fees (Gross) (₹ in lacs)	Commission* (Gross) (₹ in lacs)	No. of Shares held
Mr. Shailesh H. Bathiya	2.00	9.30	Nil
Mr. D. R. Kaarthikeyan	2.40	9.30	Nil
Mr. Arvind Kumar Joshi	2.60	9.30	Nil
Mr. Abhijit Datta	1.20	9.30	Nil

* - The commission for the year ended March 31, 2012 which is restricted to 1 % of the net profit computed under Sections 198 / 349 of the Companies Act, 1956 will be paid to Non-Executive Directors, after adoption of accounts by the members in the ensuing Annual General Meeting.

Consolidated provision for commission of ₹ 37.20 lacs to Non-Executive Directors has been made in the books of account.

CORPORATE GOVERNANCE REPORT (CONTD.)

EXECUTIVE CHAIRMAN / MANAGING DIRECTOR AND EXECUTIVE DIRECTOR :

Name of the Director	Salaries and Perquisites (₹ in lacs)	Performance Incentive (₹ in lacs)	Service Contract (Present)
Mr. Hemant M. Shah, Executive Chairman	182.43	Nil	5 years
Mr. Vyomesh M. Shah, Managing Director	165.84	Nil	5 years
Mr. Madhukar B. Chobe, Executive Director	54.00	Nil	1 year

III. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE :

FUNCTIONS :

A Shareholders'/Investors' Grievances Committee has been constituted at the Board level, under the Chairmanship of a Non-Executive Independent Director.

The Committee oversees share transfers and monitors redressal of investors'/shareholders' complaints relating to transfers, change of address, non-receipt of balance sheet or dividend and any other complaints of the shareholders. The Secretarial Department of the Company and the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Company maintains continuous interaction with the said R & T Agent and takes proactive steps and actions for resolving complaints/queries of the shareholders/investors. Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action.

The minutes of the Shareholders' / Investors' Grievances Committee Meetings are noted by the Board of Directors in the subsequent Board Meetings.

COMPOSITION :

The present composition of the Shareholders' / Investors' Grievances Committee of Directors is as under :

Name of the Director		Category
Mr. Arvind Kumar Joshi	Chairman	Independent, Non-Executive
Mr. Hemant M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Madhukar B. Chobe	Member	Non-Promoter, Non-Independent, Executive

COMPLIANCE OFFICER :

The Board has designated Mr. Chetan S. Mody, Company Secretary as the Compliance Officer in terms of the Listing Agreements.

MEETINGS AND ATTENDANCE :

The Committee met once on September 21, 2011, which was attended by all the members.

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

The total number of complaints received, and replied to the satisfaction of the shareholders during the year ended March 31, 2012 were 3 all of which were duly resolved. These complaints related mainly to the non-receipt of dividend and/or annual report. In view of the posting of the dividend and annual reports within the statutory time limit, the delay or non-receipt of the dividend or the annual report, as the case may be, was not due to any lapse on the part of the Company.

There were no grievances outstanding as on March 31, 2012. The number of pending requests for dematerialisation as on March 31, 2012 were Nil. The Shareholders' / Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2012.

CORPORATE GOVERNANCE REPORT (CONTD.)

IV. COMMITTEE OF DIRECTORS :

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

COMPOSITION :

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

Name of the Director		Category
Mr. Hemant M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Vyomesh M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Madhukar B. Chobe	Member	Non-Promoter, Non-Independent, Executive

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 the 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
2008-2009	August 27, 2009	Walchand Hirachand Hall, 4 th floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	11.30 A.M.	no special resolution was passed in the meeting.
2009-2010	September 29, 2010	Walchand Hirachand Hall, 4 th floor, Indian Merchants' Chamber Building Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	11.30 A.M.	no special resolution was passed in the meeting.
2010-2011	August 11, 2011	M. C. Ghia Hall, 4 th floor, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg (Rampart Row), Fort, Mumbai 400001	2.00 P.M.	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.

Both the special resolutions for the financial year 2010-2011 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. 2008-2009, 2009-2010 and 2010-2011.

CORPORATE GOVERNANCE REPORT (CONTD.)

POSTAL BALLOT :

During the Financial Year 2011-2012, the following special resolutions were passed by Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011:

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
2011-2012	October 20, 2011	Special Resolution	Change of name of the Company from 'Ackruti City Limited' to 'Hubtown Limited' under Section 21 of the Companies Act, 1956.	99.99 %
		Special Resolution	Making loan(s) / investment(s), giving guarantee(s) and providing security(ies) in excess of the limits prescribed under Section 372A of the Companies Act, 1956.	99.99 %

The Company followed a transparent postal ballot process, where all members were sent the draft resolutions together with the explanatory statements and a postal ballot form alongwith postage pre-paid business reply envelope. All replies received upto the close of working hours on October 15, 2011 were considered.

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

The results of the Postal Ballot were declared on October 20, 2011, which was taken as the date of passing of the resolutions. The results of the above Postal Ballot was published in the newspapers and also posted on the Company's website.

During the current year, no resolutions are proposed to be passed by Postal Ballot.

5. SUBSIDIARIES:

The Company does not have any material unlisted Indian Subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20 % of the consolidated turnover or net worth respectively, of the listed Holding Company and its subsidiaries in the immediately preceding accounting year as defined under Clause 49 of the Listing Agreements. Hence, it is not mandatory to have an Independent Director of the Company on the Board of such subsidiary company.

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.

6. CODE OF CONDUCT :

In order to further enhance the ethical and transparency process in conducting and managing the affairs of the Company based on best corporate governance practices, the Board of Directors has adopted the 'Hubtown Code of Business Conduct and Ethics' for the Board of Directors and Senior Management of the Company. The said Code of Conduct has been posted on the Company's website - www.hubtown.co.in. All Board members and Senior Management personnel have affirmed their compliance with the said Code for the financial year ended March 31, 2012. A declaration to this effect signed by the Managing Director is appended at the end of this report.

CORPORATE GOVERNANCE REPORT (CONTD.)

7. INSIDER TRADING :

Code of Conduct for Prevention of Insider Trading :

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the Board of Directors of the Company has adopted the 'Hubtown Code of Conduct for Prevention of Insider Trading'. 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.

Mr. Chetan S. Mody - 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.

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. 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. DISCLOSURES :

a. 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. All transactions were carried out on normal commercial arms length basis and were not prejudicial to the interest of the Company.

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. 33 to the Financial Statements. 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.

b. 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 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.

c. Risk Management :

An analysis of the Company's risks covering business, finance, legal and regulatory and other risks as perceived by the management are being made and reviewed. The Audit and Compliance Committee is regularly informed about the business risks and steps taken to mitigate the same.

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

The Company has generally complied with the requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

f. Disclosure by Senior Management to the Board :

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

g. Mandatory requirements :

The Company is fully compliant with all the mandatory requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

h. Non-mandatory requirements :

aa. Non-Executive Chairman's Office :

The Chairman of the Company is an Executive Chairman and hence this provision is not applicable.

bb. Tenure of Independent Directors :

No maximum tenure for Independent Directors has been specifically determined by the Board.

cc. Remuneration Committee:

The Company has constituted a Remuneration Committee as detailed at Serial No.3 (II) hereinabove.

dd. 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.

ee. Audit Qualifications :

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

ff. Training of Board Members :

Comprehensive presentations are made on the business operations of the Company. The Board is fully briefed on all business related matters, risk assessment & minimization and new business initiatives proposed by 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.

gg. Mechanism for evaluating Non-Executive Directors :

The members of the Board are professionals from diverse fields relevant to the business of the Company, 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.

hh. Whistle Blower Policy :

The Audit and Compliance Committee and the Board have adopted a Whistle Blower Policy and necessary mechanism has been put in place in line with Clause 49 of the Listing Agreement, 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 Company affirms that no employee of the Company has been denied access to the Audit and Compliance Committee.

9. 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;

CORPORATE GOVERNANCE REPORT (CONTD.)

- (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, 2012 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, 2012 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.

10. GENERAL SHAREHOLDER INFORMATION :

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

11. 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 Agreements with the Stock Exchanges and the same is annexed to the Directors' Report and Management Discussion and Analysis.

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

12. 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, 2011.	21	282
Number of shareholders who approached for transfer of shares from suspense account during the year 2011-2012.	—	—
Number of shareholders to whom shares were transferred from suspense account during the year 2011-2012.	—	—
Aggregate number of shareholders and the outstanding shares in the suspense account at the end of the year i.e. March 31, 2012.	21	282

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

13. Website :

The Company's website 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, code of business conduct and ethics, code of conduct for prevention of insider trading and whistle blower policy 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 the Code of Business Conduct and Ethics

In accordance with Clause 49 ID of the Listing Agreements with the Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel and Employees of the Company have affirmed their compliance with Hubtown Code of Business Conduct and Ethics as applicable to them, for the Financial Year ended March 31, 2012.

For **Hubtown Limited**

Vyomesh M. Shah
Managing Director

Mumbai, May 30, 2012

CERTIFICATION UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

Pursuant to Clause 49 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 statement for the year ended March 31, 2012 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, 2012 which are fraudulent, illegal or violative of the Company's Code of Business Conduct and Ethics;
- 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 significant 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

Bharat Mody
Chief Finance Officer

May 30, 2012



CORPORATE GOVERNANCE REPORT (CONTD.)

Practising Company Secretary's Certificate on Clause 49 Compliance - Corporate Governance

**To the Members of
Hubtown Limited
(formerly known as Ackruti City Limited)**

Certificate on Clause 49 Compliance - Corporate Governance

We have examined the records concerning the compliance of the conditions of Corporate Governance by Hubtown Limited ("the Company") for the year ended on 31 March 2012, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges of India.

The compliance of the 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 the 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: May 30, 2012
Place: Mumbai

SHAREHOLDER INFORMATION

This Section *inter-alia* provides information pertaining to the Company, its shareholding pattern, means of dissemination of information, service standards, share price movement and such other information in terms of item no. 9 of Annexure IC to Clause 49 of the Listing Agreements relating to Corporate Governance.

1. Twenty Fourth Annual General Meeting:

Day : **Wednesday**
 Date : **November 07, 2012**
 Time : **10.30 A.M.**
 Venue : **Walchand Hirachand Hall, 4th floor
 Indian Merchants' Chamber Building
 Indian Merchants Chamber Marg
 Churchgate, Mumbai 400020**

2. Financial Calendar for 2012 - 2013 (tentative and subject to change) :

- Financial reporting for the Quarter ending June 30, 2012 : } within 45 days of
- Financial reporting for the Half Year ending September 30, 2012 : } the close of each
- Financial reporting for the Quarter ending December 31, 2012 : } reporting period.
- Financial reporting for the Year ending March 31, 2013 : } within 60 days
of the close of
the financial year.

3. Date of Book Closure:

The Register of Members and Share Transfer Books will remain closed from **September 14, 2012** to **September 21, 2012** (both days inclusive).

4. Dividend Payment Date:

The dividend of ₹ 1/- per share as recommended by the Board of Directors, if approved by the members, will be dispatched / remitted commencing from November 12, 2012.

5. (a) Registered Office :

'Hubtown Solaris', 2nd floor,
 N. S. Phadke Marg, Opp. Telli Gully
 Andheri (East), Mumbai - 400 069
 Maharashtra.
 Phone : 022-67037400 Fax : 022-67037403

(b) Web Site : www.hubtown.co.in

6. Listing on Stock Exchanges :

Equity Shares	Secured Redeemable Non-Convertible Debentures (issued on private placement basis)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001	BSE Limited (Wholesale Debt Market) Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001
National Stock Exchange of India Limited (NSE) 'Exchange Plaza', Bandra Kurla Complex Bandra (East), Mumbai 400051	

7. Stock Code :

BSE - **532799**
 NSE - **HUBTOWN EQ**
 BLOOMBERG - **HUB:IN**
 REUTERS - **HUBT.NS**

SHAREHOLDER INFORMATION (CONTD.)

8. Corporate Identity Number (CIN) :

L45200MH1989PLC050688

9. Listing Fees to Stock Exchanges:

The Annual Listing Fees have been paid to BSE and NSE for the financial year 2012-2013.

10. Custodial Fees to Depositories :

The Company has paid custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the year 2012-2013 on the basis of number of beneficial accounts maintained by the respective depositories as on March 31, 2012.

11. Demat International Securities Identification Nos. (ISIN) :

i. Equity Shares – **INE703H01016**.

ii. Secured Redeemable Non-convertible Debentures – **INE703H07021**.

12. Market Price Data during 2011-2012:

The monthly high and low price and the volume of shares traded on BSE and NSE during each month of the financial year from April 1, 2011 to March 31, 2012 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Volumes (in nos.)	High (₹)	Low (₹)	Volumes (in nos.)
April 2011	259.00	210.15	5,74,786	259.00	210.60	8,98,297
May 2011	216.70	194.10	3,71,037	238.50	192.15	5,04,167
June 2011	217.45	186.05	2,98,947	230.00	185.20	6,37,969
July 2011	205.90	180.15	4,61,197	205.80	180.05	8,04,674
August 2011	199.90	168.00	3,91,158	200.00	167.30	8,07,844
September 2011	204.90	182.00	1,30,677	203.35	182.00	1,43,301
October 2011	206.35	181.00	1,74,117	202.00	182.00	1,79,703
November 2011	204.40	174.30	2,40,828	202.40	170.00	3,12,543
December 2011	187.80	166.05	10,35,482	187.00	173.25	2,26,038
January 2012	218.00	177.00	76,014	218.95	176.50	1,27,331
February 2012	240.00	185.70	2,77,127	238.00	190.60	2,49,664
March 2012	215.00	173.85	7,27,580	217.45	173.00	10,41,177

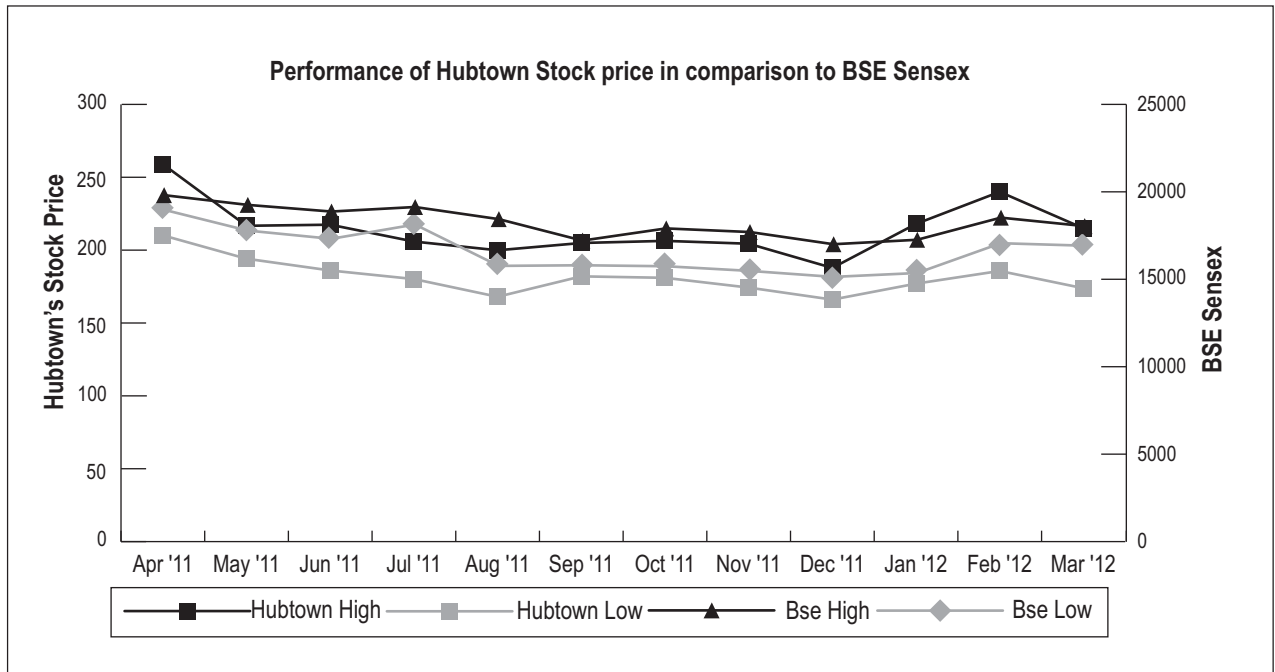
Source : www.bseindia.com; www.nseindia.com

13. Market Capitalisation :

	BSE	NSE
No. of shares traded	47,58,950	59,32,708
Highest Share Price (₹)	259	259
Lowest Share Price (₹)	166.05	167.30
Closing Share Price as on March 31, 2012 (₹)	183.35	183.35
Market Capitalisation as on March 31, 2012 (₹ in crores)	1333.61	1333.61

SHAREHOLDER INFORMATION (CONTD.)

14. Stock Performance (Indexed) :



15. Registrar and Share Transfer Agent :

Link Intime India Private Limited
 C-13, Pannalal Silk Mills Compound
 L.B.S. Marg, Bhandup (West)
 Mumbai - 400 078
 Tel : 022- 2569 3838 : Fax : 022 - 2594 6969
 Website : www.linkintime.co.in
 Time : 10.00 a.m. to 1.00 p.m. and 1.30 p.m. to 5.00 p.m.

16. Trustees for Debentureholder :

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

17. Share Transfer System :

The transfer of shares in physical form is processed and completed by R & T Agent - Link Intime India Private Limited within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants. In compliance with the Listing Agreements with the Stock Exchanges, a Practising Company Secretary carries out audit of the system of transfer and a certificate to that effect is filed with the listed stock exchanges.

The RTA attends to investor grievances in consultation with the Secretarial Department of your Company.

SHAREHOLDER INFORMATION (CONTD.)

18. Distribution of shareholding size class as on March 31, 2012 :

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 500	26,372	98.06	10,05,478	1.38
501 - 1000	238	0.89	1,87,402	0.25
1001 - 2000	95	0.35	1,45,377	0.20
2001 - 3000	34	0.13	86,997	0.12
3001 - 4000	18	0.07	65,756	0.10
4001 - 5000	17	0.06	79,560	0.11
5001 - 10000	32	0.12	2,31,650	0.32
10001 - above	87	0.32	7,09,33,651	97.52
TOTAL	26,893	100	7,27,35,871	100

19. Distribution of shareholding by ownership as on March 31, 2012 :

CATEGORY	No. of Shareholders	No. of shares held	% of Total
A. Shareholding of Promoter and Promoter Group			
1. Indian			
a. Individuals / Hindu Undivided Family	18	5,94,00,000	81.67
b. Bodies Corporate	2	6,00,000	0.82
Sub-Total (A)(1)	20	6,00,00,000	82.49
2. Foreign	—	—	—
Sub-Total (A)(2)	—	—	—
A Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	20	6,00,00,000	82.49
B. Public Shareholding			
1. Institutions			
a. Mutual Funds	—	—	—
b. Financial Institutions / Banks	1	2,285	—
c. Venture Capital Fund	—	—	—
d. Insurance Companies	1	56,937	0.08
e. Foreign Institutional Investors	7	15,81,198	2.17
Sub-Total (B)(1)	9	16,40,420	2.25
2. Non-Institutions			
a. Bodies Corporate	503	46,00,311	6.32
b. Resident Individuals			
i. Individual shareholders holding nominal capital upto ₹ 1 lac	25,980	14,50,957	1.99
ii. Individual shareholders holding nominal capital in excess of ₹ 1 lac	25	33,49,076	4.61
c. Trusts	8	4,00,091	0.55
c-i. Non-Residents	210	8,83,848	1.22
c-ii. Overseas Corporate Bodies	2	11	—
c-iii. Clearing Members	136	4,11,157	0.57
B Sub-Total (B)(2)	26,864	1,10,95,451	15.26
Total Public Shareholding (B) = (B)(1) + (B)(2)	26,873	1,27,35,871	17.51
GRAND TOTAL (A) + (B)	26,893	7,27,35,871	100

SHAREHOLDER INFORMATION (CONTD.)

20. Dematerialisation of shares and liquidity :

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2012, 7,27,35,869 equity shares constituting nearly 100 % of the total share capital of the Company were held in dematerialized form.

Status of Dematerialisation as on March 31, 2012 :

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL
National Securities Depository Limited	6,79,66,355	93.44
Central Depository Services (India) Limited	47,69,514	6.56
TOTAL DEMATERIALIZED	7,27,35,869	100
PHYSICAL	2	0.00
GRAND TOTAL	7,27,35,871	100

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

As on March 31, 2012, the Company did not have any outstanding GDRs/ADRs/Warrants or any Convertible Instruments.

22. Address for Correspondence:

Physical Shares	Electronic Shares
Address: Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Contact Person : Chaitali Jadhav E-mail : rnt.helpdesk@linkintime.co.in	Respective Depository Participants of the Shareholders

23. Exclusive E-mail ID for redressal of investor complaints

In terms of Clause 47 (f) of the Listing Agreement, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail ID is investorcell@hubtown.co.in. Investors / Shareholders can send their complaints/grievances to the above e-mail ID and the same will be attended to by the Secretarial Department.

24. Electronic Clearing Service (ECS facility)

The Company uses 'Electronic Clearing Service' (ECS) facility for remitting dividend to its shareholders wherever available.

In terms of a notification issued by Reserve Bank of India, with effect from October 1, 2009, remittance of dividend through ECS has been replaced by 'National Electronic Clearing Service' (NECS). Accordingly, Banks have moved to NECS platform. The advantage of NECS over ECS include faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations.

NECS essentially operates on the new and unique bank account number, allotted by Banks post implementation of Core Banking Solutions (CBS) for centralised processing of inward instructions and efficiency in handling bulk transactions.

Those members who have not yet furnished either to their Depository Participants (in case of electronic shares) or the Registrar and Share Transfer Agent (in case of physical shares) their latest Bank Account Number allotted to them by their Banks after implementation of CBS, credit of dividend through NECS to their old Bank Account Number may either be rejected or returned by the banking system and physical dividend warrant in lieu of the same may be issued to the concerned members after such rejection.

In view of the above, members are requested to provide/update the new Bank Account Number allotted to them by their Banks together with the name of the Bank, Branch, 9 digit MICR Bank/Branch Code, account type alongwith a photocopy of a blank cheque leaf to their Depository Participants if the equity shares are held in electronic form and to the Registrar and Share Transfer Agent, Link Intime India Private Limited if the equity shares are held in physical form.

SHAREHOLDER INFORMATION (CONTD.)

25. Nomination Facility

Section 109A of the Companies Act, 1956 facilitates shareholders to make nominations in respect of shares held by them. Shareholders holding shares in physical form who are desirous of making a nomination are requested to send their requests in Form No. 2B to the Company's Registrar and Share Transfer Agent. Shareholders holding shares in electronic form are requested to give their nomination request to their respective Depository Participants directly.

Form No. 2B can be obtained from the Company's Registrar and Share Transfer Agent or downloaded from the Company's website: www.hubtown.co.in under the Section 'Investor Relations'.

26. Secretarial Audit

- In terms of Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis have been issued by a Company Secretary in whole-time practise for due compliance of share transfer formalities by the Company.
- As stipulated by SEBI, a qualified practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and the total number of shares in physical form.

27. General Information

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

ADDENDUM TO THE REPORT ON CORPORATE GOVERNANCE

The changes in the Corporate Governance Report consequential to the change in the date of the Twenty Fourth Annual General Meeting of the Company, are given hereunder :

SHAREHOLDER INFORMATION		
Sr. No.	Existing	Revised
1.	Twenty Fourth Annual General Meeting	
	Day : Friday	Day : Wednesday
	Date : September 21, 2012	Date : November 7, 2012
	Time : 12.30 P.M.	Time : 10.30 A.M.
	Venue : Walchand Hirachand Hall, 4 th floor Indian Merchants' Chamber Building Indian Merchants Chamber Marg Churchgate, Mumbai 400020	Venue : Walchand Hirachand Hall, 4 th floor Indian Merchants' Chamber Building Indian Merchants Chamber Marg Churchgate, Mumbai 400020
4.	Dividend Payment Date	
	The dividend of ₹ 1/- per share as recommended by the Board of Directors, if approved by the members, will be dispatched / remitted commencing from September 24, 2012.	The dividend of ₹ 1/- per share as recommended by the Board of Directors, if approved by the members, will be dispatched / remitted commencing from November 12, 2012.

For and on behalf of the Board

Hemant M. Shah
Executive Chairman

Mumbai, September 8, 2012

FINANCIAL STATEMENTS
FOR YEAR ENDED MARCH 31, 2012

AUDITORS' REPORT TO THE MEMBERS OF HUBTOWN LIMITED (FORMERLY KNOWN AS ACKRUTI CITY LIMITED)

To
The Members of Hubtown Limited

1. We have audited the attached Balance Sheet of **Hubtown Limited** ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books of the Company;
 - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
5. Without qualifying our opinion, attention is invited to :
 - (a) Note no. 2 (iii) in the financial statements with regard to recognition of expense and income for ongoing projects which is based upon estimated costs, as per the judgement of the Management, which have been relied upon by us, these being technical matters.
 - (b) Note no. 2 (vii) in the financial statements with regard to manner in which expenses incurred by the Company on Joint Venture projects has been accounted for.
 - (c) Note no. 13 (footnote b) in the financial statements with regard to investment in certain debentures.
 - (d) Note no. 19(a) in the financial statements with regard to an amount of ₹ 1864.53 lacs which remained outstanding over two years. We have relied upon the Management's expectation that such amount would be fully recoverable.
6. *Attention is invited to Note no. 29 with regard to a major fire which took place at the registered office of the Company on December 23, 2011, causing extensive damage and destruction of the records, documents and assets of the Company, including the financial accounting records. The Company has, however, substantially reconstructed the financial records which have been relied upon for our opinion. The Management is of the opinion that no significant adjustment would be necessary, to the position reported in the financial statements, upon reconstruction of balance documents and records.*
7. *Balances of trade payables and advances to suppliers are subject to confirmation & consequential adjustment, if any.*

8. In our opinion, and to the best of our information and according to the explanations given to us, *subject to the matter included in paragraphs 6 & 7 above*, the said financial statements and the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - in the case of cash flow statement, of the cash flows for the year ended on that date.

For Doshi Doshi & Associates

Firm Registration Number: 121773W
Chartered Accountants

Dinesh Doshi

Partner
Membership No.: F - 9464

Mumbai: May 30, 2012

For Haribhakti & Co.

Firm Registration Number: 103523W
Chartered Accountants

Chetan Desai

Partner
Membership Number: F - 17000

Mumbai: May 30, 2012

ANNEXURE TO AUDITORS' REPORT

- During the year, due to a major fire at the registered office of the Company, substantial fixed assets were destroyed, which were however insured. The Company has written off these assets from its financial records. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - In our opinion and according to the information and explanations given to us, apart from the destruction due to the fire at the registered office of the Company, substantial part of fixed assets has not been disposed of by the Company during the year.
- The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
 - In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- The Company has not granted / taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
 - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lacs in respect of any party during the year are only for reimbursement of actual expenses and hence the question of comparable market price does not arise.

ANNEXURE TO AUDITORS' REPORT (CONTD.)

6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been maintained.
9. (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 undisputed VAT, Income Tax Deducted at Source, Wealth Tax and Service Tax, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor Education and Protection Fund, employees' state insurance, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. At the year end, Income Tax Deducted at source of ₹ 19,266,932/-, Wealth Tax of ₹ 260,000 and Maharashtra VAT of ₹ 862,637/- remained outstanding for a period exceeding six months.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, other than the following:

Statute and nature of dues	Financial Year	Amount (₹)	Forum where dispute is pending
Income Tax Act, 1961:			
Penalty	2000-2001	3,031,840	Commissioner of Income Tax (Appeals)
Penalty	2001-2002	5,827,603	
Penalty	2002-2003	6,183,986	
Penalty	2003-2004	13,490,265	
Penalty	2004-2005	20,049,665	
Penalty	2005-2006	16,065,086	
Penalty	2006-2007	26,375,205	
Income Tax	2008-2009	26,967,390	
Service Tax Rules, 1994:			
Service Tax	Upto March 31, 2012	69,864,666	Supreme Court (through Maharashtra Chamber of Housing Industry)

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. According to the information, explanations and confirmations provided by the Company, it has not defaulted in repayment of dues to any financial institution or bank or debenture holder.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

HUBTOWN

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 7,500 debentures of ₹100,000 each. The Company has created charge in respect of debentures issued.
20. The Company has not raised any money by public issues during the year.
21. 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 on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Doshi Doshi & Associates

Firm Registration Number: 121773W
Chartered Accountants

Dinesh Doshi

Partner
Membership No.: F - 9464

Mumbai: May 30, 2012

For Haribhakti & Co.

Firm Registration Number: 103523W
Chartered Accountants

Chetan Desai

Partner
Membership Number: F - 17000

Mumbai: May 30, 2012

BALANCE SHEET As At 31st MARCH, 2012

Particulars	Note No.	As At 31 March 2012 (₹ in lacs)	As At 31 March 2011 (₹ in lacs)
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	7,273.59	7,273.59
Reserves and surplus	4	156,220.01	153,080.57
		163,493.60	160,354.16
Non-current liabilities			
Long-term borrowings	5	35,818.06	68,306.02
Long-term trade payables	6	932.68	804.86
Other long term liabilities	7	121.53	6.38
		36,872.27	69,117.26
Current liabilities			
Short-term borrowings	8	41,185.40	31,609.69
Trade payables	9	9,597.19	7,459.82
Other current liabilities	10	118,695.18	73,188.56
Short term provisions	11	993.60	2,162.26
		170,471.37	114,420.33
Total		370,837.24	343,891.75
II. ASSETS			
Non-current assets			
Fixed assets	12		
Tangible assets		2,707.57	2,419.81
Intangible assets		258.42	299.22
Capital work-in-progress		—	1,555.87
Non-current investments	13	63,681.32	56,671.82
Deferred tax asset (Net)	14	892.61	477.81
Long-term loans and advances	15	35,435.44	48,691.46
Other non-current assets	16	9,642.29	1,883.82
		112,617.65	111,999.81
Current assets			
Current investments	17	5,197.19	6,851.97
Inventories	18	69,940.86	54,918.90
Trade receivables	19	10,381.69	15,019.13
Cash and bank balances	20	4,159.33	5,908.02
Short-term loans and advances	15	151,344.46	126,413.33
Other current assets	16	17,196.06	22,780.59
		258,219.59	231,891.94
Total		370,837.24	343,891.75

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

As per our report of even date

For and on behalf of the Board of Directors

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

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm Registration No. 103523 W

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 30th May, 2012

Mumbai
Date: 30th May, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	As At 31 March 2012 (₹ in lacs)	As At 31 March 2011 (₹ in lacs)
I. INCOME			
Revenue from operations	21	26,485.96	28,794.48
Other income	22	17,234.72	13,518.58
Share of profit / (loss) from joint ventures and partnership firms (Net) (Refer Note 33(xxi) & (xxii))		(442.27)	13,816.18
Total		43,278.41	56,129.24
II. EXPENSES			
Costs of construction / development	23	17,767.07	18,125.76
Changes in inventories of work-in-progress, finished properties and FSI	24	(19,616.76)	(10,484.03)
Employee benefits expense	25	2,109.15	1,990.25
Finance costs	26	28,094.70	23,200.85
Depreciation and amortisation	27	702.64	483.91
Other expenses	28	10,942.97	7,247.88
Total		39,999.77	40,564.62
III. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX			
Extraordinary item	29	(350.00)	—
IV. PROFIT BEFORE TAX			
Tax expense :			
Current tax (Refer Note 11(b))		—	(435.00)
Reversal of excess provision for taxation in respect of earlier years		1,246.06	2,028.77
Deferred tax (charge) / credit		414.80	(32.71)
V. PROFIT AFTER TAX BUT BEFORE ADJUSTMENTS			
Prior period adjustments (Net)	30	(604.70)	22.49
VI. PROFIT FOR THE YEAR			
Earnings per equity share of nominal value of ₹ 10/- each	31		
Earnings before extraordinary item:			
Basic and Diluted		5.96	23.58
Earnings after extraordinary item:			
Basic and Diluted		5.48	23.58

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

As per our report of even date

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

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm Registration No. 103523 W

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 30th May, 2012

Mumbai
Date: 30th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31 March 2012 (₹ in lacs)	As At 31 March 2011 (₹ in lacs)
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit before taxation, and extraordinary item as per statement of profit and loss	3,278.64	15,564.62
Add / (Less) :		
Finance costs	28,094.70	23,200.85
Depreciation and amortisation	702.64	483.91
Provision for doubtful advances and bad debts	10.66	201.95
Provision for diminution in value of investment	—	11.92
Amortisation of expenditure incurred on joint venture projects	2,413.66	470.38
Project expenses written off / amortised	3,031.18	1,626.68
Prior period adjustments (Net)	59.74	22.49
Advances and other debit balances written off	20.83	0.69
Loss on liquidation of subsidiary	—	11.16
(Profit) / Loss on sale of fixed assets (Net)	(0.61)	79.71
Profit on sale of investments	(7.67)	(13.00)
Provisions no longer required written back	(196.11)	—
Dividend from current investments	(0.45)	(24.27)
Interest income	(16,708.45)	(13,398.93)
	17,420.12	12,673.54
Operating profit before working capital changes	20,698.76	28,238.16
Add / (Less) :		
(Increase) / Decrease in inventories	(18,435.57)	(3,138.79)
(Increase) / Decrease in trade and other receivables (including current investments)	6,769.49	(41,504.43)
Increase / (Decrease) in trade and other payables	15,484.18	11,283.25
Direct taxes paid	(2,243.75)	(3,080.38)
	1,574.35	(36,440.35)
Net cash flow from operating activities	22,273.11	(8,202.19)
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Dividend from current investments	0.45	24.27
Interest income received	16,683.58	13,398.93
(Increase) in loans and advances	(16,716.21)	(20,286.20)
(Increase) / Decrease in advances towards share application	2,840.39	(3,912.58)
(Increase) / Decrease in deposits more than three months	1,195.87	(3,123.48)
Purchase of fixed assets (Net)	(425.61)	(7,399.38)
Purchase of long term / current investments (Net)	(5,511.00)	(2,716.63)
	(1,932.53)	(24,015.07)
Net cash flow from investing activities		
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Increase / (Decrease) in long term and short term borrowings	7,301.04	57,028.57
Finance costs paid	(25,224.19)	(24,116.81)
Dividend paid	(1,209.03)	(3,636.79)
Dividend tax paid	(911.38)	(618.07)
	(20,043.56)	28,656.90
Net cash flow from financing activities		
Net increase in cash and cash equivalents (I + II + III)	297.02	(3,560.36)
Add: Balance at the beginning of the year	3,042.29	6,602.65
Cash and cash equivalents at the end of the year	3,339.31	3,042.29
Components of cash and cash equivalents (Refer Note 20)		
Cash and cash equivalents:		
Cash on hand	24.04	10.69
Balances with banks		
- Current accounts	1,895.05	1,381.01
- Deposits with maturity of less than three months	1,415.65	1,647.19
- Unpaid dividend accounts	4.57	3.40
	3,339.31	3,042.29

Footnote:

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

As per our report of even date

For and on behalf of the Board of Directors

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

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm Registration No. 103523 W

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 30th May, 2012

Mumbai
Date: 30th May, 2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '1'

Corporate information

Hubtown Limited (formerly known as Ackruti City 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, SEZs, Biotech Park and Build Operate Transfer (BOT) Projects, etc. through both - on its own and through its subsidiaries / joint ventures / associate companies.

NOTE '2'

Significant Accounting Policies

I. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India and are in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 1956.

II. Use of estimates

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

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.

A. Revenue from sale of properties / rights:

- i. Revenue from sale of finished properties / buildings is recognised on transfer of property and once significant risks and rewards of ownership have been transferred to the buyer. Similarly, revenue from sale of Transferable Development Rights (TDR) is recognised on transfer of the rights to the buyer. Revenue recognition is postponed to the extent of significant uncertainty.
- ii. Revenue from sale of incomplete properties / projects is recognised on the basis of percentage of completion method, subject to the actual cost incurred being atleast 25 % of the total estimated project cost involved and receipt of atleast 10% of the total sale consideration of each sold unit. Further, revenue recognised in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Estimated costs relating to construction / development are charged to the Statement of Profit and Loss in proportion with the revenue recognised during the year. The balance costs are carried as part of 'Incomplete Projects' under inventories under current assets. Amounts receivable / payable are reflected as Trade Receivables / Unbilled Receivables or Advances from Customers, respectively, after considering income recognised in the aforesaid manner. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfilment of obligations / conditions imposed on the Company by statutory authorities, is postponed till such obligations are substantially discharged.

Costs of the projects are based on the management's estimate of the cost to be incurred upto the completion of the projects and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically. Further, Revenue recognition is restricted, in case, where project cost is revised, resulting in decrease of percentage of actual cost incurred to total estimated cost. The effect of changes in cost, if any, is recognised in the financial statements for the period in which such changes are determined.

- iii. The Sale proceeds of the Investments held in the subsidiaries, joint ventures, etc. developing real estate projects are included in real estate revenue, net of cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '2' (Contd.)

B. Revenue from project management services:

Revenue from 'project management services' is recognised based on the agreements between the Company and the parties, to whom the services are rendered.

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

Share of profit / loss from partnership firms / association of persons (AOP) is accounted in respect of the financial year of the Firm / AOP, during the reporting period, on the basis of their audited accounts.

D. Income from leased premises:

Lease income from operating lease is recognised in the Statement of Profit and Loss on straight line basis over the lease term.

E. Interest and dividend:

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

F. Others:

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

IV. Tangible assets and depreciation / amortisation

- A. Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any.
- B. Tangible assets disclosed under 'Non current assets' as 'Investment properties', are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any. Attention is also invited to Accounting Policy No. (VI)(C).
- C. Depreciation is provided on the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition, or upto the date of such sale/disposal, as the case may be. Individual assets costing less than Rupees Five Thousand are depreciated fully in the year of acquisition.
- D. Cost of Leasehold Land is amortised on a straight line basis, over the primary lease period.
- E. Cost of Mivan System is amortised on a straight line basis, over the life of the project, but not exceeding a period of five years.

V. Intangible assets and amortisation

Computer softwares are classified as intangible assets and are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life of five years, as determined by the management.

VI. Inventories

All Inventories are stated at 'Cost or Net Realisable Value', whichever is lower.

- A. 'Stock of materials at Site' include cost of purchase, other costs incurred in bringing them to their respective present location and condition. Cost formula used is average cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '2' (Contd.)

- 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 recognised as expenditure for 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 Accounting Standard 19 - 'Leases' and Accounting Standard 13 - 'Investments'.

Inventory value includes costs incurred upto the completion of the project viz. cost of land / rights, value of floor space index (FSI), materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

VII. Expenditure incurred on joint venture projects

'Expenditure on joint venture projects' incurred by the Company which as per the contractual arrangement cannot be transferred to joint venture entities, are considered as part of investments considering the provisions of relevant Accounting Standards. The identification of such expenses and its allocation over various projects are as per the judgement of the management and has been relied upon by the auditors, this being a technical matter. Such expenses are being amortized over a period of five years or the estimated tenure of project, whichever is shorter, commencing from the year in which the reasonable revenue recognition begins in each project. Such accounting treatment is based on a legal opinion obtained by the Company.

VIII. Investments

- A. Investments are classified into Current / Non Current and Long Term Investments. Current investments are stated at lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognise decline, other than temporary, in the value of long term investments.
- B. Investments in development projects undertaken by the Company through its joint ventures, etc. are carried as 'Expenditure incurred on joint venture projects' under 'Current Investments'. Attention is also invited to Accounting Policy Nos. (VII).

IX. Employee benefits

- A. **Short term employee benefits** are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered;
- B. **Post Employment Benefits**
- i) Defined contribution plans: The Company's contribution to State governed Provident Fund Scheme is recognised during the year in which the related service is rendered;
 - ii) Defined benefit plans: The present value of the gratuity obligation is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the statement of profit and loss. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis;
- C. **Other long-term benefits** (leave entitlement) are recognised in a manner similar to defined benefit plans;
- D. **Termination Benefits** are recognised as an expense in the statement of profit and loss for the year in which they are incurred.
- E. Actuarial gains / losses are recognised in the statement of profit and loss during the relevant period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '2' (Contd.)

X. Borrowing costs

Interests and other borrowing costs (including ancillary borrowing costs) attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Ancillary borrowing costs (including front-end fees, processing fees, etc. due to which rate of borrowing gets reduced) are amortised over the period of the related borrowing, but not exceeding a period of three years. Other borrowing costs are charged to the statement of profit and loss.

XI. Foreign currency transactions

- A. All transactions in foreign currency are recorded in the reporting currency, based on closing rates of exchange prevailing on the dates of the relevant transactions having taken place.
- 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 recognised 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.

XII. Segment reporting

The Company is engaged in the business of Real Estate Development, which as per Accounting Standard AS-17- 'Segment Reporting' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under AS-17 are not applicable.

XIII. Impairment of assets

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

XIV. Taxation

Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable for the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realisation.

Excess / short provision for taxation is recognised on completion of necessary taxation proceedings (Viz. revised returns, assessments, etc.).

In case, the Company is liable to pay income tax under Section 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognised as an asset (MAT Credit Entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

XV. Provisions, contingent liabilities and contingent assets

Provisions involving a substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '3'

SHARE CAPITAL AUTHORISED

125,000,000 (P.Y. 125,000,000) Equity Shares of ₹ 10/- each

ISSUED, SUBSCRIBED AND PAID UP

72,735,871 (P.Y. 72,735,871) Equity Shares of ₹ 10/- each fully paid up

Total

31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
12,500.00	12,500.00
12,500.00	12,500.00
7,273.59	7,273.59
7,273.59	7,273.59
31 March, 2012 (Nos.)	31 March, 2011 (Nos.)
72,735,871	72,735,871
—	—
—	—
—	—
72,735,871	72,735,871

Footnotes:

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

Number of shares at the beginning of the year

Add/(Less) :

Issued during the year

Buyback during the year

Conversion during the year

At the end of the year (Nos.)

Total

b. Equity shareholders holding more than five percent shares in the Company

Hemant M. Shah

Vyomesh M. Shah

Mahipatray V. Shah (HUF)

Hemant M. Shah (HUF)

Vyomesh M. Shah (HUF)

Kunjai H. Shah

Falguni V. Shah

Others

31 March, 2012		31 March, 2011	
Nos.	% of Holding	Nos.	% of Holding
5,800,000	7.97%	5,800,000	7.97%
7,540,000	10.37%	7,540,000	10.37%
9,600,000	13.20%	9,600,000	13.20%
6,892,000	9.48%	6,892,000	9.48%
4,100,000	5.64%	4,100,000	5.64%
5,308,000	7.30%	5,308,000	7.30%
6,360,000	8.74%	6,360,000	8.74%
27,135,871	37.30%	27,135,871	37.30%
72,735,871	100.00%	72,735,871	100.00%

c. Terms / rights attached to Equity Shares :

The Company has a single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

d. Shares allotted as fully paid up by way of bonus shares (during five years immediately preceding 31 March, 2012)

12,000,000 equity shares have been allotted as fully paid-up bonus shares, by way of capitalisation of General Reserve and Surplus in the Statement of Profit and Loss, for the financial year 2006-2007.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '4'		
RESERVES AND SURPLUS		
Securities premium reserve	60,716.12	60,716.12
Debenture redemption reserve (Refer footnote a)		
Balance as per last Balance Sheet	7,475.00	2,500.00
Add / (Less) :		
Amount transferred from surplus balance in the statement of profit and Loss	3,000.00	7,475.00
Amount transferred to general reserve	—	(2,500.00)
	10,475.00	7,475.00
General reserve		
Balance as per last Balance Sheet	19,520.00	15,130.00
Add / (Less) :		
Amount transferred from debenture redemption reserve	—	2,500.00
Amount transferred from surplus balance in the statement of profit and Loss	—	1,890.00
	19,520.00	19,520.00
Surplus in the statement of profit and loss		
Balance as per last Balance Sheet	65,369.45	59,706.68
Profit for the year	3,984.80	17,148.17
	69,354.25	76,854.85
Less: Appropriations:		
Proposed equity dividend	727.36	1,818.39
Tax on proposed equity dividend	118.00	302.01
Transfer to debenture redemption reserve	3,000.00	7,475.00
Transfer to general reserve	—	1,890.00
Total appropriations	3,845.36	11,485.40
Net surplus in the statement of profit and loss	65,508.89	65,369.45
Total	156,220.01	153,080.57

Footnote:

a. During the year, the Company transferred an amount of ₹ 3,000 lacs (P.Y. ₹ 7,475 lacs) to Debenture Redemption Reserve in accordance with the provisions of Section 117C of the Companies Act, 1956.

NOTE '5'

LONG-TERM BORROWINGS

	Non Current Portions		Current Maturities	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Debentures (Secured):				
7,500 (P.Y. Nil) Redeemable debentures of the face value of ₹ 100,000 each (Refer footnote a)	6,300.00	—	1,200.00	—
10,000 (P.Y. 10,000) Redeemable debentures of the face value of ₹ 100,000 each (Refer footnote b)	—	10,000.00	10,000.00	—
1,000 (P.Y. 1,000) Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each (Refer footnote c)	—	7,000.00	7,000.00	1,250.00
balance c/f	6,300.00	17,000.00	18,200.00	1,250.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '5' (Contd.)

LONG-TERM BORROWINGS

	Non Current Portions		Current Maturities	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
balance b/f	6,300.00	17,000.00	18,200.00	1,250.00
Term Loans (Secured):				
From banks (Refer footnote d)	25,374.76	43,792.11	50,380.79	43,945.70
From financial institutions (Refer footnote e)	1,650.00	5,312.50	14,342.19	8,974.00
Deposits (Unsecured), (Refer footnote f)				
From related parties (Refer note 33(v))	1,987.01	—	—	—
From public	253.40	380.33	49.43	368.50
Other loans and advances:				
Loans from others (Secured) (Refer footnote g)	61.32	137.10	2,075.78	69.46
Loans from others (Unsecured) (Refer footnote h)	191.57	1,683.98	2,073.40	2,300.63
	<u>35,818.06</u>	<u>68,306.02</u>	<u>87,121.59</u>	<u>56,908.29</u>
The above amounts include:				
Secured borrowings	33,386.08	66,241.71	84,998.76	54,239.16
Unsecured borrowings	2,431.98	2,064.31	2,122.83	2,669.13
Amount disclosed under "Other Current Liabilities" (Refer note '10')	—	—	(87,121.59)	(56,908.29)
Total	<u>35,818.06</u>	<u>68,306.02</u>	<u>—</u>	<u>—</u>

Footnotes:

- 18.50% Debentures of ₹ 7,500 lacs are redeemable in twenty five equal monthly installments commencing from December, 2012. These debentures are secured by mortgage on the immovable properties located at Jogeshwari (East), Mumbai as well as receivables and advances arising from such properties, and personal guarantees of the promoters.
- 12% Debentures of ₹ 10,000 lacs are redeemable at a premium in March, 2013. These debentures are secured by second ranking mortgage over project land and structures thereto at J. P. Road, Andheri (West), as well as all receivables and advances arising from such project and further secured by exclusive charge over land situated at village Mogra, Andheri (East), Mumbai.
- 17% Debentures of ₹ 7,000 lacs are redeemable at par by the end of June 2012. These debentures are secured by mortgage / charge on the immovable properties located at Jogeshwari (East), Mumbai and by pledge of equity shares held by promoters and their family members in the Company. (Prepaid ₹ 1,250 lacs during the previous year).
- Secured term loans from banks carry interest rates within a range of 12% to 18%. ₹ 50,380.79 lacs will become due in March 2013, ₹ 12,198.76 lacs will become due in March 2014 and the balance of ₹ 13,176.00 lacs will become due in eight equal quarterly installments of ₹ 1,362.00 lacs and sixty equal quarterly instalments of ₹ 38.00 lacs commencing from June, 2014. The nature of securities are:

Name of lenders	Security Offered (Further Secured by personal guarantee of one or more Promoters)
1. Punjab National Bank	i. Mortgage over projects at a) Bandra b) Worli c) Jogeshwari and d) Mira Road, all in Mumbai. ii. First charge by way of escrow of receivables from above projects.
2. Central Bank of India	First charge over project land, structures thereto at Andheri (West), Mumbai.
3. ICICI Bank Limited	i. Pari passu charge on land and structures thereto of projects located in Andheri (East), Mumbai. ii. Charge by way of escrow of receivables from the above projects.
4. UCO Bank	i. Mortgage on land and structures thereto in respect of projects at Majiwade, Thane and in respect of project at Telekar Road, Pune. ii. Mortgage of residential sale buildings and property rights at Bandra (East), Mumbai.
5. Dena Bank	i. Mortgage of unsold area of project at Andheri (East), Mumbai. ii. Charge by way of escrow of receivables from the above projects.
6. IndusInd Bank	Mortgage of the premises at Unit No. 1001 on 10th floor in the project located at Andheri (East), Mumbai.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '5' (Contd.)

Footnotes (contd.):

- Secured loans from financial institutions carry interest rates within a range of 15% to 18%. ₹ 14,342.19 lacs will be repaid by March 2013 in eight equal installments, ₹ 1,500 lacs will be repaid by March 2014 in three equal installments and the balance of ₹ 150 lacs will be repaid in April, 2014. These loans are secured against pledge of equity shares in the Company held by the promoters and their family members and personal guarantee of one or more promoters.
- Unsecured long term public deposits carry interest rates within a range of 10.50% to 11.00%. The same will become repayable between a period of 1-3 years.
- Secured loans from others carry interest rates within a range of 15% to 20%. The same will be repaid in twenty-one equal installments by January, 2014. ₹ 2,075.78 lacs will be repaid by March, 2013 and ₹ 61.32 lacs will be repaid by January, 2014. These loans are secured against pledge of equity shares in the Company held by the promoters and their family members.
- Unsecured loans from others carry interest rates within a range of 10% to 21% and will become due in thirteen equal monthly installments including interest from the balance sheet date.

NOTE '6'

LONG TERM TRADE PAYABLES

Trade Payables (Refer note 9.1 for details of dues to micro and small enterprises)

Total

31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
932.68	804.86
932.68	804.86

NOTE '7'

OTHER LONG TERM LIABILITIES

Deposits from customers

Total

121.53	6.38
121.53	6.38

NOTE '8'

SHORT TERM BORROWINGS

Working capital loans from banks (Secured) (Refer footnote a)

Loans repayable on demand:

- from a company (Secured) (Refer footnote b)
- from companies (Unsecured) (Refer footnote c)
- from others (Unsecured) (Refer footnote c)

Deposits (Unsecured) (Refer footnote d):

- from related parties
- from public

Loans and advances from related parties (Unsecured) (Refer footnote e)

Total

12,391.18	11,491.84
—	2,250.00
17,340.00	12,580.00
10,420.00	—
—	50.00
302.00	335.50
732.22	4,902.35
41,185.40	31,609.69
12,391.18	13,741.84
28,794.22	17,867.85
41,185.40	31,609.69

The above amount includes:

Secured borrowings

Unsecured borrowings

Footnotes:

- Working capital loans from banks carry interest rates within a range of 12.75% to 16% and are secured against the following :

Sr. No.	Name of lenders	Security Offered
1.	Canara Bank	Mortgage of Unit No. 301 on 3rd floor in the premises at MIDC Andheri (East), Mumbai and further secured by personal guarantee of one or more promoters.
2.	Union Bank of India	Secured against fixed deposits in banks.
3.	IDBI Bank	Secured against fixed deposits in banks.

- Secured loan from a company carried interest rate of 19.5% and was repayable on demand. This Loan was secured against pledge of equity shares in the Company held by the promoters and their family members.
- Unsecured loans from companies and others carry interest rates within a range of 15% to 21% and are repayable on demand.
- Unsecured short term public deposits carry interest rate of 10%. The same will become due as per the respective maturity dates.
- Unsecured loans taken from related parties carry interest rate of 18% and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '11' (Contd.)

Footnotes:

- a. An amount of ₹ 75.96 lacs (PY. ₹ 72.52 lacs) under defined contribution plan is recognised as expense in the statement of profit and loss.

The disclosures in respect of the Defined Benefit Gratuity Plan (to the extent of information made available by the actuary) are given below:

Change in present value of obligation :

Obligation at the beginning of the year
Current service cost
Interest cost
Actuarial Gain / (Loss)
Benefits paid
Obligation at the end of the year

Change in plan assets :

Fair value of plan assets at the beginning of the year
Expected return on plan assets
Actuarial Gain / (Loss)
Contributions
Benefits paid
Fair value of plan assets at the end of the year

Experience Analysis - Liabilities

Actuarial (Gain) / Loss due to change in bases
Experience (Gain) / Loss due to change in experience

Experience Analysis - Plan Assets

Experience (Gain) / Loss due to change in Plan Assets

Reconciliation of present value of the obligation and the fair value of Plan Assets and amounts recognised in the balance sheet:

Present value of the obligation at the end of the year
Fair value of Plan Assets at the end of the year
Net liability recognised in the balance sheet

Gratuity cost recognised for the year:

Expected rate of return on plan assets
Current service cost
Interest cost
Expected return on plan assets
Actuarial Gain / (Loss)
Net gratuity cost

Investment details of plan assets (Investments with insurer):

Government securities

Bonds / NCDs

Equity Shares

Fixed Deposits and Margin Money Deposits

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
	180.62	139.05
	52.12	39.92
	14.56	11.10
	23.81	(8.90)
	(10.44)	(0.55)
	260.67	180.62
	160.07	109.96
	15.02	11.99
	(0.48)	(1.24)
	15.00	39.91
	(10.44)	(0.55)
	179.17	160.07
	(3.80)	(0.61)
	27.62	(62.07)
	0.48	-
	260.67	180.62
	179.17	160.07
	(81.50)	(20.55)
	9.5%	9.5%
	52.12	39.92
	14.56	11.10
	(15.02)	(11.99)
	24.30	(7.66)
	75.96	31.37
	50.79%	53.04%
	42.48%	42.77%
	4.13%	4.00%
	2.60%	0.19%

Assumptions:

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Mortality	LIC (1994-96) ULT	LIC (1994-96) ULT	LIC(1994-96) ULT	LIC(1994-96) ULT	LIC(1994-96) ULT
Normal age of retirement	65	65	65	65	65
Discount rate	8.50%	8.30%	8.00%	7.75%	8.00%
Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%	3.00%
Withdrawal plan	1.00%	3.00%	3.00%	3.00%	3.00%
Present value of obligations (₹)	260.67	180.62	139.05	186.46	53.73
Fair value of plan assets (₹)	179.17	160.07	109.96	26.76	18.20
Surplus / (Deficit) in the plan (₹)	(81.50)	(20.55)	(29.09)	(159.69)	(35.53)

The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

- b. Provision for income tax is not made for the current year as there is no taxable income as per normal provisions of the Income Tax Act, 1961 (the Act) and also as per Section 115JB of the Act, considering the relevant judicial pronouncements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '12'

FIXED ASSETS

(₹ in lacs)

SR. NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31 March, 2011	Additions / Adjustments during the year	Deductions / Adjustments	As at 31 March, 2012	Upto 31 March, 2011	Provided during the year	Deductions / Adjustments	Upto 31 March, 2012	As at 31 March, 2012	As at 31 March, 2011
A	Tangible assets										
	Freehold land	— (7.96)	— (—)	— (7.96)	— (—)	— (—)	— (—)	— (—)	— (—)	—	—
	Leasehold land	765.87 (37.29)	— (728.58)	— (—)	765.87 (765.87)	21.37 (7.95)	25.60 (13.42)	— (—)	46.97 (21.37)	718.90	744.50
	Commercial premises (Refer footnote a)	339.11 (150.43)	805.61 (270.58)	— (81.89)	1,144.72 (339.11)	28.36 (33.67)	54.08 (9.25)	— (14.57)	82.44 (28.36)	1,062.28	310.75
	Mivan system	419.67 (354.33)	— (65.34)	— (—)	419.67 (419.67)	221.37 (151.91)	69.80 (69.46)	— (—)	291.17 (221.37)	128.50	198.30
	Plant and machinery	81.42 (77.15)	0.47 (4.27)	81.89 (—)	— (81.42)	41.63 (35.66)	4.05 (5.97)	45.68 (—)	— (41.63)	—	39.79
	Computers and laptops	267.49 (182.48)	94.53 (85.00)	352.24 (—)	9.78 (267.48)	165.81 (117.87)	29.58 (47.94)	193.50 (—)	1.89 (165.81)	7.89	101.67
	Furniture and fixtures	536.74 (334.41)	643.05 (202.33)	800.98 (—)	378.81 (536.74)	206.42 (168.61)	92.83 (37.82)	204.37 (—)	94.88 (206.42)	283.93	330.32
	Vehicles	851.66 (315.75)	8.77 (539.60)	22.51 (3.70)	837.92 (851.66)	261.03 (179.94)	155.30 (84.09)	17.17 (2.99)	399.16 (261.03)	438.76	590.63
	Office equipment	147.54 (94.75)	94.48 (52.79)	162.68 (—)	79.34 (147.54)	43.69 (31.19)	13.50 (12.50)	45.16 (—)	12.03 (43.69)	67.31	103.85
	A	3,409.50	1,646.91	1,420.30	3,636.11	989.68	444.74	505.88	928.54	2,707.57	2,419.81
B	Intangible assets										
	Computer software	466.01 (435.16)	53.15 (30.85)	— (—)	519.16 (466.01)	166.79 (53.00)	93.95 (113.79)	— (—)	260.74 (166.79)	258.42	299.22
	B	466.01	53.15	—	519.16	166.79	93.95	—	260.74	258.42	299.22
C	Capital work-in-progress	1,555.87	—	1,555.87	—	—	—	—	—	—	1,555.87
	C	1,555.87	—	1,555.87	—	—	—	—	—	—	1,555.87
	GRAND TOTAL (A+ B+C)	5,431.38	1,700.06	2,976.17	4,155.27	1,156.47	538.69	505.88	1,189.28	2,965.99	4,274.90

Footnotes:

- Commercial premises include cost of shares aggregating ₹ 0.04 lacs (P.Y. ₹ 0.04 lacs) carrying the occupancy rights in the commercial premises.
- Figures in bracket indicate corresponding previous year figures.

NOTE '13'

NON CURRENT INVESTMENTS (Unquoted)

(Trade, unless otherwise specified)

A) Investment property (At cost less accumulated depreciation / amortisation)

Cost of land and building (held for lease and capital appreciation) (Refer footnote a)
Less: accumulated depreciation / amortisation

B) Investment in equity instruments (At cost)

I) Subsidiary Companies (Fully paid equity shares)

- 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000)
Adhivitiya Properties Limited
- 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000)
Diviniti Projects Private Limited
- 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000)
Vama Housing Limited
- 50,000 Equity shares of ₹ 10/- each (P.Y.50,000)
Vishal Techno Commerce Limited

c/f

31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
4,399.71	4,399.71
367.92	203.97
4,031.79	4,195.74
5.00	5.00
5.00	5.00
5.00	5.00
5.00	5.00
20.00	20.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (Unquoted)

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
b/f	20.00	20.00
e) 50,000 Equity shares of ₹ 10/- each (PY.50,000) Arnav Gruh Limited	5.00	5.00
f) 25,510 Equity shares of ₹ 10/- each (PY.25,510) Vishal Nirman (India) Limited	2.55	2.55
g) 50,000 Equity shares of ₹ 10/- each (PY. 50,000) Sheshan Housing and Area Development Engineers Limited	5.00	5.00
h) 4,405 Equity shares of ₹ 100/-each (PY. 4,405) Heet Builders Private Limited	72.21	72.21
i) 30,000 Equity shares of ₹ 10/- each (PY.30,000) Holiac Realty Limited	3.00	3.00
j) 100,000 Equity shares of ₹ 10/- each (PY.100,000) Halitious Developer Limited (Formerly known as Halitious Warehousing Limited)	600.00	600.00
k) 45,000 Equity shares of ₹ 10/- each (PY.45,000) Devkrupa Build Tech Limited	4.50	4.50
l) 37,000 Equity shares of ₹ 10/- each (PY.37,000) Gujarat Akruiti-TCG Biotech Limited	3.70	3.70
m) 10,000 Equity shares of ₹ 10/ each (PY. 10,000 (Class 'A')) Pushpak Healthcare Services Private Limited	1,547.50	1,547.50
n) 47,500 Equity shares of ₹ 10/-each (PY. 47,500) Urvi Build Tech Limited	4.75	4.75
o) 36,215 (Class 'A') Equity shares of ₹ 10/- each (PY.36,215) Ackruti Safeguard Systems Private Limited	72.43	72.43
p) 50,000 Equity shares of ₹ 10/- each (PY. 50,000) Yantti Buildcon Private Limited	5.00	5.00
q) 9,000 Equity shares of ₹ 10/- each (PY.9,000) Upvan Lake Resorts Private Limited	0.90	0.90
r) Current Year : Nil (PY.50,000) Equity shares of ₹ 10/- each Jihant Housing Private Limited	—	5.00
s) Current Year : Nil (PY. 50,000) Equity shares of ₹ 10/- each Superaction Realty Private Limited	—	5.00
t) Current Year : Nil (PY. 50,000) Equity shares of ₹ 10/- each Nova Realty Private Limited	—	5.00
u) 10,000 Equity shares of ₹ 10 each (PY. 10,000) Merrygold Buildcon Private Limited	1.00	1.00
v) 1,000 Equity shares of ₹ 100 each (PY. 800) Vega Developers Private Limited	1.00	0.80
w) Current Year : Jointly controlled company (PY. 50,000) Equity shares of ₹ 10/- each Ackruti City Magnum Limited	—	5.00
x) 50,000 Equity shares of ₹ 10/- each (PY. 50,000) ABP Realty Advisors Private Limited	5.00	5.00
y) Current Year : Nil (PY. 50,000) Equity shares of ₹ 10/- each Ackruti Campus of Research and Education Private Limited	—	5.00
z) 10,000 Equity shares of ₹ 10/- each (PY.10,000) Headland Farming Private Limited	1.00	1.00
aa) 10,000 Equity shares of ₹ 10/- each (PY.10,000) Heddle Knowledge Private Limited	1.00	1.00
c/f	2355.54	2380.34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (Unquoted)

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
b/f	2355.54	2380.34
ab) 10,000 Equity shares of ₹ 10/- each (PY. 10,000) Heeler Hospitality Private Limited	1.00	1.00
ac) 50,000 Equity shares of ₹ 10/- each (PY. 50,000) Citygold Education Research Limited	5.00	5.00
ad) 10,000 Equity shares of ₹ 10/- each (PY. 10,000) Citygold Farming Private Limited	1.00	1.00
ae) Current Year : Nil (PY. 50,000) Equity shares of ₹ 10/- each Harmony Erectors Private Limited	—	5.00
af) 50,000 Equity shares of ₹ 10/- each (PY. 50,000) India Development and Construction Venture Capital Private Limited	5.00	5.00
ag) Current Year : Nil (PY. 50,000) Equity shares of ₹ 10/- each Sunmist Builders Private Limited	—	5.00
	2,367.54	2,402.34
II) Jointly Controlled Companies		
a) 50,000 (Class 'A') Equity shares of ₹ 10/- each (PY. 50,000) Ackruti City Bus Terminal (Mehsana) Private Limited	5.00	5.00
b) 100,000 (Class 'C') Equity shares of ₹ 10/- each (PY. 100,000) Ackruti City Bus Terminal (Mehsana) Private Limited	629.00	629.00
c) 50,000 (Class 'A') Equity shares of ₹ 10/- each (PY. 50,000) Ackruti City Bus Terminal (Vadodara) Private Limited	5.00	5.00
d) 100,000 (Class 'C') Equity shares of ₹ 10/- each (PY. 100,000) Ackruti City Bus Terminal (Vadodara) Private Limited	199.00	199.00
f) 50,000 (Class 'A') Equity shares of ₹ 10/- each (PY. 50,000) Ackruti City Bus Terminal (Adajan) Private Limited	5.00	5.00
g) 100,000 (Class 'C') Equity shares of ₹ 10/- each (PY. 100,000) Ackruti City Bus Terminal (Adajan) Private Limited	479.00	479.00
h) 10,000 (Class 'A') Equity shares of ₹ 10/- each (PY. Associate) Ackruti City Bus Terminal (Ahmedabad) Private Limited	1.00	—
i) 15,000 (Class 'C') Equity shares of ₹ 10/- each (PY. Nil) Ackruti City Bus Terminal (Ahmedabad) Private Limited	2,132.00	—
j) 16,500 Equity shares of ₹ 10/- each (PY. Subsidiary) Ackruti City Magnum Limited	1.65	—
k) 3,215 Equity shares of ₹ 10/- each (PY. 3,213) Hoary Realty Limited	8,843.55	8,841.52
l) 2,666,619 (Class 'A') Equity shares of ₹ 10/- each (PY. 2,666,619) Rare Townships Private Limited	6,603.50	6,603.50
m) 425,000 (Class 'B') Equity shares of ₹ 10/- each (PY. 425,000) Rare Townships Private Limited	100.00	100.00
n) 25,000 Equity shares of ₹ 100/- each (PY. 25,000) Joyous Housing Limited	25.00	25.00
o) Current Year : Nil (PY. 659,997) Quadron Business Park Limited (Formerly known as DLF Ackruti Info Parks (Pune) Limited)	—	66.00
	19,028.70	16,958.02
III) Associate Companies		
a) Current Year : Nil (PY.25,000) Equity shares of ₹ 10/- each Ackruti City Bus Terminal (Surat) Private Limited	—	2.50
b) 8,000 Equity shares of ₹ 10/-each (PY.8,000) Pristine Developers Private Limited	0.80	0.80
c/f	0.80	3.30

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (Unquoted)

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
b/f	0.80	3.30
c) Current Year : Nil (PY 312,500) Equity shares of ₹ 10/- each Glamorous Properties Private Limited	—	300.00
d) 129,000 Equity shares of ₹ 10/- each (PY.129,000) Sunstream City Private Limited	12.90	12.90
e) 25,000 Equity shares of ₹ 10/- each (PY. 25,000) Whitebud Developers Limited	2.50	2.50
f) 4,997 Equity shares of ₹ 10/- each (PY. 4,997) Citywood Builders Private Limited	0.50	0.50
g) 5,000 Equity shares of ₹ 10/- each (PY. 5,000) Harbinger Developers Private Limited	0.50	0.50
h) Current Year : Nil (PY. 5,000) Equity shares of ₹ 10/- each Bigcity Developers Private Limited	—	0.50
i) 3,000 Equity shares of ₹ 10/- each (PY. Nil) Trans Gulf MEP Engineers Private Limited	0.30	—
j) 4,350 Equity shares of ₹ 10 /- each (PY. 4,350) Yellowcity Builders Private Limited	0.44	0.44
k) 6,095 (Class 'A') Equity shares of ₹ 10 /- each (PY. 6,095) Vinca Developer Private Limited	0.61	0.61
l) 275,000 Equity shares of ₹ 10 /- each (PY. 275,000) Comral Realty Private Limited	27.71	27.71
m) Current Year : Nil (PY. 2,600) Equity shares of ₹ 10/- each Forefront Realty Private Limited	—	0.26
n) Current Year : Jointly Controlled Company (PY. 5,000) Equity shares of ₹ 10/- each Ackruti City Bus Terminal (Ahmedabad) Private Limited	—	0.50
o) 9,799,584 (Class 'A') Equity shares of ₹ 10 /- each (PY. 7,862,595) Joynest Premises Private Limited	1,076.46	787.50
p) 79,061 (Class 'B') Equity shares of ₹ 10 /- each (PY. Nil) Joynest Premises Private Limited	11.79	—
q) Current Year : Nil (PY. 13,630) Equity shares of ₹ 10/- each Leading Work Properties Private Limited	—	1.36
	1,134.51	1,138.58
IV) Others		
a) 240 Equity shares of ₹ 100/- each (PY 240) Citygold Management Services Private Limited	0.24	0.24
b) 6,000 (Class 'B') Equity shares of ₹ 50/- each (PY 6,000) Hogmanay Niharika Buildings Limited	3.00	3.00
c) Current Year : Nil (PY 1,882,353) Equity shares of ₹ 10/- each City Corporation Limited	—	10,000.00
d) 7,353 (Class 'B') Equity Shares of ₹ 10 /- each (PY. Nil) Giraffe Developers Private Limited	5,000.04	—
e) 37,815 Equity shares of ₹ 10/- each (PY .37,815) Janakalyan Sahakari Bank Limited	3.78	3.78
	5,007.06	10,007.02
Total (I+II+III+IV)	27,537.81	30,505.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (Unquoted)

C) Investment in Subsidiary's Preference Shares (At Cost)

- a) 20,000 Cumulative convertible preference shares of ₹ 100/- each (P.Y. 20,000)

Ackruti Safeguard Systems Private Limited

20.00

20.00

20.00

20.00

D) Investment in Debentures (At Cost)

- a) 150,000 Optionally convertible debentures of ₹ 5,000/- each (P.Y.250,000)
Giraffe Developers Private Limited (Refer footnote b)

7,500.00

12,500.00

- b) 135,000 8% Optionally convertible debentures of ₹ 1,000/- each (P.Y. 160,000)
Pivotal Infrastructure Private Limited

1,350.00

1,600.00

- c) 31,910,000 18% Optionally convertible debentures of ₹ 10/- each (P.Y. 31,910,000)

Asmeeta Infratech Private Limited

3,191.00

3,191.00

- d) 1,500 18% Optionally convertible debentures of ₹ 100,000/- each (P.Y. Nil)
Urvi Build Tech Limited

1,500.00

—

- e) 1,500 18% Optionally convertible debentures of ₹ 100,000/- each (P.Y. Nil)
Devkrupa Build Tech Limited

1,500.00

—

15,041.00

17,291.00

E) Investment in Mutual Funds (At cost) (Other than Trade Growth Option)

Current Year: Nil (P.Y. 404.755 units of ₹ 2,470.63 of UTI Treasury Advantage Fund (NAV: ₹ Nil (P.Y. ₹1,005,490 per unit))

—

10.00

—

10.00

F) Investment in Partnership Firms and Joint Ventures (Net) (Refer footnote b)

17,050.72

4,649.12

Total (A + B + C + D + E + F)

63,681.32

56,671.82

Aggregate amount of quoted investment NAV: ₹ Nil (P.Y. ₹ 1,005,490 per unit)

—

10.00

Aggregate amount of unquoted investment

63,681.32

56,661.82

Aggregate provision for diminution in value of investments

11.92

11.92

Footnotes:

- a. Investment property with a carrying value of ₹ 87.53 lacs (P.Y ₹ 92.11 lacs) are subject to first charge against the Company's working capital loans.
- b. The face value of investment in debentures of Rs. 7500.00 lacs (P.Y. ₹ 12500.00 lacs) represents the balance value of consideration of sale of development rights in earlier years receivable in future. The management is of the view that as the consideration was inclusive of Profit and interest, no coupon was charged on such debentures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '13' (Contd.)

c. Details of investments made in capital of partnership firms and joint ventures.

A) PARTNERSHIP FIRMS

		Share in profits (%)	
		31 March, 2012	31 March, 2011
i) M/s Aarti Projects & Constructions			
	<u>Name of the Partners</u>		
	Hubtown Limited	27.25	33.00
	Dilip Shingarpure	—	9.00
	Surendra Sanas	32.75	33.00
	Khilen Shah	5.00	—
	Classic City Infopark Private Limited	30.00	25.00
	Rushank Shah	5.00	—
	Total Capital of the firm (₹ in lacs)	₹ 2.99	₹ 3.07
ii) M/s Akruti Jay Developers			
	<u>Name of the Partners</u>		
	Hubtown Limited	66.67	66.67
	Hazel Erectors Limited	33.33	33.33
	Total Capital of the firm (₹ in lacs)	₹ 2,491.50	₹ 2,491.50
iii) M/s Shreenath Realtors			
	<u>Name of the Partners</u>		
	Hubtown Limited	46.25	46.25
	Farooq Y. Patel	10.41	10.41
	Sailesh R. Mahimtura HUF	7.52	7.52
	Hiten R. Mahimtura HUF	7.52	7.52
	Dolbi Incon Private Limited	20.80	20.80
	Vakratunda Housing Private Limited	7.50	7.50
	Total Capital of the firm (₹ in lacs)	₹ 2,119.99	₹ 2,119.99
iv) M/s Sole Builders (formerly known as Commercial Construction Corporation)			
	<u>Name of the Partners</u>		
	Hubtown Limited	50.00	50.00
	Eklavya Securities Private Limited	11.25	11.25
	Money Link Securities Private Limited	11.25	11.25
	Amal Finance Private Limited	5.00	5.00
	Mukesh M. Doshi	12.50	12.50
	Mukesh M. Doshi (HUF)	5.00	5.00
	Kaushal M. Doshi	5.00	5.00
	Total Capital of the firm (₹ in lacs)	—	—
v) M/s Akruti Kailash Constructions			
	<u>Name of the Partners</u>		
	Hubtown Limited	90.00	90.00
	Ketan D. Shah	10.00	10.00
	Total Capital of the firm (₹ in lacs)	₹ 0.58	₹ 0.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '13' (Contd.)

B) JOINT VENTURES

i) M/s Akruti Jay Chandan Joint Venture

Name of the Co-Venturers

Hubtown Limited

Chandan Shanti Group of Companies

Total Capital of the joint venture (₹ in lacs)

ii) M/s Akruti GM Joint Venture

Name of the Co-Venturers

Hubtown Limited

GM Construction

Total Capital of the joint venture (₹ in lacs)

iii) M/s Primeria Joint Venture (Formerly known as Akruti Forefront Joint Venture)

Name of the Co-Venturers

Hubtown Limited

Forefront Property Developers Private Limited

Total Capital of the joint venture (₹ in lacs)

iv) M/s Akruti Realty Forefront Combine

Name of the Co-Venturers

Hubtown Limited

Forefront Property Developers Private Limited

Total Capital of the joint venture (₹ in lacs)

v) M/s Sunstone Developers Joint Venture

Name of the Co-Venturers

Hubtown Limited

Swapanranjan Infrastructure Private Limited

Total Capital of the joint venture (₹ in lacs)

vi) M/s Gulati Estate Joint Venture

Name of the Co-Venturers

Hubtown Limited

Jamanlal Gulati Trust

Total Capital of the joint venture (₹ in lacs)

	Share in profits (%)	
	31 March, 2012	31 March, 2011
	50.00	50.00
	50.00	50.00
	₹ 282.40	₹ 282.40
	50.00	50.00
	50.00	50.00
	₹ 910.00	₹ 893.49
	75.00	75.00
	25.00	25.00
	₹ 10.00	₹ 15.92
	90.00	90.00
	10.00	10.00
	₹ 435.20	₹ 435.20
	5.00	—
	95.00	—
	₹ 100.00	₹ —
	75.00	—
	25.00	—
	₹ 13,980.15	₹ —

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '14'

DEFERRED TAX ASSET (NET)

Fixed Assets : impact of difference between depreciation as per the Income Tax Act, 1961 and depreciation / amortisation as per the Companies Act, 1956.
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis.

Provision for doubtful debts

Deferred tax asset (Net)

31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
261.34	61.53
171.08	63.90
460.19	352.38
892.61	477.81

NOTE '15'

LOANS AND ADVANCES

Advances to land owners
Unsecured, considered good

Doubtful

Less: Provision for doubtful advances

Security deposits (Unsecured, considered good)

Loans and advances (Unsecured, considered good)

- to related parties (Refer note 33)

- to others

Doubtful

Less: Provision for doubtful advances

Advances recoverable in cash or kind
(Unsecured, considered good)

- to related parties (Refer note 33) (Refer footnote a)

- to others

Doubtful

Less: Provision for doubtful advances

Other loans and advances:

Advances towards share application / purchase of
shares in entities for interest in projects and others

- to related parties (Refer note 33)

- to others

Advance Income Tax (Net of provisions
₹ 726,70.11/- lacs ; (PY. ₹ 4,510.36/- lacs))

Prepaid expenses

Loans to employees

	Non Current		Current	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
	12,201.25	8,048.66	9,000.30	10,059.20
	641.03	602.00	—	—
	(641.03)	(602.00)	—	—
	12,201.25	8,048.66	9,000.30	10,059.20
	444.50	739.39	—	208.00
	—	—	102,570.62	86,488.49
	—	—	13,951.26	13,317.17
	—	—	135.76	167.26
	—	—	(135.76)	(167.26)
	—	—	116,521.88	99,805.66
	20,878.29	22,223.93	4,445.74	12,475.88
	387.44	2,890.03	5,294.00	1,588.61
	641.58	291.58	—	—
	(641.58)	(291.58)	—	—
	21,265.73	25,113.96	9,739.74	14,064.49
	662.95	8,374.77	3,359.68	—
	842.65	6,381.89	7,051.00	—
	—	—	5,390.63	1,896.31
	18.36	32.79	278.99	379.00
	—	—	2.24	0.67
	1,523.96	14,789.45	16,082.54	2,275.98
Total	35,435.44	48,691.46	151,344.46	126,413.33

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '15' (Contd.)

	Non Current		Current	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Loans and Advances to:				
Directors and other officers of the Company	—	—	106.17	—

Footnote:

- a. Current portion of advances recoverable in cash or kind includes an amount of ₹ 106.17 lacs being the excess of contractual remuneration paid to the Executive Chairman and the Managing Director over the maximum remuneration payable under Schedule XIII to the Companies Act, 1956. Such amount has since been recovered from them.

NOTE '16'

OTHER ASSETS

	Non Current		Current	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Non current bank balances (Refer note 20)	1,848.57	998.75	—	—
Unbilled revenue	—	—	15,690.85	21,116.56
Unamortised ancillary cost of arranging the borrowings	741.88	793.64	1,096.90	1,428.18
Other receivables (other than trade)	7,000.00	—	158.74	50.75
Others :				
- Interest accrued on fixed deposits	51.84	91.43	68.70	139.78
- Interest accrued on investments	—	—	180.87	45.32
Total	9,642.29	1,883.82	17,196.06	22,780.59

NOTE '17'

CURRENT INVESTMENTS (Unquoted)

(Trade, unless otherwise specified)

Investment in partnership firms and joint ventures (Refer footnotes a and b)

Expenditure incurred on joint venture projects (Refer note 2 (VII))

Total

31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
347.51	347.51
4,849.68	6,504.46
5,197.19	6,851.97

Footnotes:

a. M/s Akruti Steelfab Corporation

Name of the Partners

Hubtown Limited

Steelfab Turnkey Projects Limited

Total Capital of the firm (₹ in lacs)

b. M/s Hiranandani Akruti Joint Venture

Name of the Co-Venturers

Hubtown Limited

Surendra Hiranandani

Niranjan Hiranandani

Total Capital of the joint venture (₹ in lacs)

Share in profits (%)

31 March, 2012	31 March, 2011
55.00	55.00
45.00	45.00
₹ 54.74	₹ 54.74
55.00	55.00
22.50	22.50
22.50	22.50
₹ 715.14	₹ 715.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '18'

INVENTORIES

(Valued at lower of cost and net realisable value)

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Stock of materials at site	159.65	290.01
Incomplete projects	69,552.15	53,288.47
Floor space index (FSI)	229.06	1,340.42
Total	69,940.86	54,918.90

NOTE '19'

TRADE RECEIVABLES

Trade receivables (Unsecured considered good) (Refer footnote a)

Outstanding for a period exceeding six months	3,004.37	5,711.71
Other receivables	7,377.32	9,307.42
Total	10,381.69	15,019.13

Footnote:

- a. Trade receivables include ₹ 1,864.53 lacs (P.Y. ₹ 5,180.68 lacs), due from a customer who had during an earlier year requested the Company to extend the credit period originally granted in the sale agreement. The party has affirmed to remain committed to the consideration originally agreed to and has, during the current year, discharged a part of the total outstanding debt. This party had earlier requested the management for further extension upto 31st August, 2012 for payment of its dues. Relying on the confirmation received from such party, the Company, is of the opinion that the amount would be fully recoverable as supported by certification and other documentary evidences.

NOTE '20'

CASH AND BANK BALANCES

	Non Current		Current	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Cash and cash equivalents:				
Cash on hand			24.04	10.68
Balances with banks:				
- Current accounts			1,895.05	1,381.01
- Deposits with maturity of less than three months			1,415.65	1,647.20
- Unpaid dividend accounts			4.57	3.40
			3,339.31	3,042.29
Other Bank Balances:				
Deposits with maturity of more than three months but less than twelve months	—	—	160.99	—
Deposits with maturity of more than twelve months	0.12	662.75	—	—
Margin money deposits (Refer footnote a)	1,848.45	336.00	659.03	2,865.73
	1,848.57	998.75	820.02	2,865.73
Amount disclosed under "Other Non-Current Asset" (Refer note '16')	(1,848.57)	(998.75)	—	—
Total	—	—	4,159.33	5,908.02

Footnote:

- a) Balances with banks in margin money deposits include ₹ 2,259.32 lacs (P.Y. ₹ 3,034.31 lacs) held as securities for guarantees / other facilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '21'

REVENUE FROM OPERATIONS

Sale from operations :

Sale of properties / rights

Profit on sale of investments in subsidiaries, JVs, etc.
developing real estate projects

(Net of loss on sale ₹ 200.00 lacs; (P.Y. ₹ Nil))

Project management services

Other operating revenue :

Sale of materials

Lease rentals

Total

NOTE '22'

OTHER INCOME

Dividend from current investments

Interest:

Loans

Bank fixed deposits

Others

Surplus on sale / discardment of fixed assets

Net gain on sale of investments

Gain on foreign currency fluctuation (Net of loss ₹ Nil; (P.Y. ₹ 0.17 lacs))

Liabilities written back to the extent no longer required

Miscellaneous income

Total

NOTE '23'

COSTS OF CONSTRUCTION / DEVELOPMENT

Construction costs incurred during the year:

Land / rights acquired

Material and labour costs

Approval and consultation expenses

Other direct development expenses

Add / (Less):

Transferred to fixed assets during the year

Transferred from capital work-in-progress during the year

Total

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
	8,638.48	28,533.64
	14,262.56	—
	3,421.71	243.92
	26322.75	28777.56
	27.62	—
	135.59	16.92
	163.21	16.92
	26,485.96	28,794.48
	0.45	24.27
	15,843.17	12,611.72
	216.13	409.11
	649.15	378.10
	16,708.45	13,398.93
	0.61	—
	7.67	13.00
	—	4.33
	196.11	—
	321.43	78.05
	525.82	95.38
	17,234.72	13,518.58
	4,142.79	4,366.02
	8,895.90	9,258.58
	1,809.65	2,445.56
	1,867.90	2,093.63
	16,716.24	18,163.79
	—	(38.03)
	1,050.83	—
	17,767.07	18,125.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '24'		
CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI		
Opening Inventory :		
Floor space index (FSI)	1,340.42	1,340.42
Incomplete projects	53,288.47	50,410.68
Finished properties	—	29.01
	54,628.89	51,780.11
Add/(Less):		
Reversal of floor space index	(664.44)	—
Project expenses written off	(3,031.18)	(1,626.68)
Transferred to tangible fixed assets	(768.82)	(6,008.58)
	50,164.45	44,144.85
Closing Inventory :		
Floor space index (FSI)	229.06	1,340.42
Incomplete projects	69,552.15	53,288.46
Finished properties	—	—
	69,781.21	54,628.88
Total	(19,616.76)	(10,484.03)
NOTE '25'		
EMPLOYEE BENEFITS EXPENSE		
(Net of amounts recovered from other entities ₹ 1065.05 lacs; (P.Y. ₹ 700.54 lacs))		
Salaries, bonus, etc.	2,398.87	2,547.29
Contribution to provident and other funds	90.28	78.93
Staff welfare expenses	56.15	40.03
Other fund expenses	8.80	11.88
	2,554.10	2,678.13
Less: Expenditure incurred on joint venture projects	444.95	687.88
Total	2,109.15	1,990.25
NOTE '26'		
FINANCE COSTS		
Interest:		
Debentures	4,195.97	2,129.66
Fixed Loans	22,293.52	18,394.29
	26,489.49	20,523.95
Other borrowing costs	1,741.60	2,813.54
	28,231.09	23,337.49
Less: Expenditure incurred on joint venture projects	136.39	136.64
Total	28,094.70	23,200.85
NOTE '27'		
DEPRECIATION AND AMORTISATION		
Depreciation on tangible fixed assets	444.74	280.45
Amortisation on intangible assets	93.95	113.79
Depreciation on investment property	163.95	89.67
Total	702.64	483.91

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '28'		
OTHER EXPENSES		
(Net of amount recovered from other entities ₹ 424.58 lacs; (P.Y. ₹ 199.79 lacs))		
Insurance	45.00	410.26
Rent	16.14	49.49
Rates and taxes	47.91	110.80
Advertisement expenses	602.00	707.13
Advances and other debit balances written off	20.83	0.69
Donations (Refer footnote a)	32.40	223.81
Brokerage	167.95	218.34
Directors' fees and travelling expenses	44.29	42.68
Commission to non-executive directors	37.20	40.00
Provision for diminution in value of investments	—	11.92
Provision for doubtful advances	7.53	201.95
Repairs and society maintenance charges	206.60	364.71
Project expenses written off / amortised	3,031.18	1,626.68
Legal and professional fees	1,525.94	769.29
Amortisation of expenditure incurred on joint venture projects	2,413.66	470.38
Interest on delayed payments	1,769.60	1,660.67
Other expenses (Refer footnote b)	1,147.42	924.90
Loss on foreign currency fluctuation (Net of ₹ 0.96 lacs (P.Y. ₹ Nil))	4.86	—
Loss on sale / discardment of fixed assets (Net of ₹ Nil (P.Y. ₹ 0.18 lacs))	—	79.71
Loss on liquidation of subsidiary	—	11.16
	11,120.51	7,924.57
Less: Expenditure incurred on joint venture projects	177.54	676.69
Total	10,942.97	7,247.88
Footnotes:		
a. No donations have been given to political parties.		
b. Auditors Remuneration (included in other expenses)		
Audit fees	53.00	53.00
Limited review fees	9.50	9.50
Tax audit fees	1.00	1.00
Certification and other matters	0.21	9.85
Out-of-pocket expenses	0.82	1.70
Service tax on above	7.58	7.55
	72.11	82.60

NOTE '29'

During the year a major fire took place at the registered office of the Company on 23rd December, 2011, causing extensive damage and destruction of the records, documents and assets of the Company. However, the financial accounting records of the Company were intact. The assets of the Company at its registered office, which were destroyed in the fire, were insured. On account of pending approval of the claims from the insurer, the Company has provided for losses to the extent of ₹ 35,000,000/- on a prudent basis.

NOTE '30'

PRIOR PERIOD ADJUSTMENTS (NET)

Debits relating to earlier years:		
Finance costs	(0.89)	(24.48)
Legal and professional fees	(6.34)	(30.00)
Reversal of floor space index (FSI)	(664.44)	—
Other expenses	(5.04)	(7.42)
Credits relating to earlier years:		
Finance costs	40.06	79.31
Insurance	8.81	—
Other expenses	23.14	5.08
Total	(604.70)	22.49

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '31'

EARNINGS PER SHARE (EPS)

	31 March, 2012 (₹ in lacs) / Nos.	31 March, 2011 (₹ in lacs) / Nos.
Net Profit as per Statement of Profit and Loss available for Equity Shareholders before extraordinary item (₹)	4,334.80	17,148.17
Net Profit as per Statement of Profit and Loss available for Equity Shareholders after extraordinary item (₹)	3,984.80	17,148.17
Weighted average number of equity shares outstanding at the end of the year (Nos.)	72,735,871	72,735,871
Earnings per equity share (Nominal value per share ₹ 10/- each)		
Earnings before extraordinary item:		
Basic and diluted	5.96	23.58
Earnings after extraordinary item (net of tax expense):		
Basic and diluted	5.48	23.58
NOTE '32'		
VALUE OF PAYMENTS MADE IN FOREIGN EXCHANGE		
a. Value of imports on CIF basis :		
Capital goods (including capital work-in-progress)	—	473.27
Acquisition of equity instruments	5,000.04	—
b. Expenditure in foreign currency:		
Travelling expenses	9.80	7.37
Professional / architect fees	161.72	117.64
Recruitment fees	0.76	7.75

NOTE '33'

RELATED PARTIES DISCLOSURES

A. NAMES OF RELATED PARTIES AND DESCRIPTION OF RELATIONS

I. SUBSIDIARIES

- 1 ABP Realty Advisors Private Limited
- 2 Ackruti Safeguard Systems Private Limited
- 3 Ackruti Campus of Research and Education Private Limited (upto December 28, 2011)
- 4 Ackruti City Magnum Limited (upto June 30, 2011)
- 5 Adhivitiya Properties Limited
- 6 Arnav Gruh Limited
- 7 Citygold Education Research Limited
- 8 Citygold Farming Private Limited
- 9 Devkrupa Build Tech Limited
- 10 Diviniti Projects Private Limited
- 11 Gujarat Akruiti - TCG Biotech Limited
- 12 Halitious Developer Limited (Formerly known as Halitious Warehousing Limited)
- 13 Harmony Erectors Private Limited (upto December 28, 2011)
- 14 Headland Farming Private Limited
- 15 Heddle Knowledge Private Limited
- 16 Heeler Hospitality Private Limited
- 17 Heet Builders Private Limited
- 18 Holiac Realty Limited
- 19 India Development and Construction Venture Capital Private Limited
- 20 Jihant Housing Private Limited (upto December 28, 2011)
- 21 Merrygold Buildcon Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

I. SUBSIDIARIES

- 22 Nova Realty Private Limited (upto December 28, 2011)
- 23 Pushpak Healthcare Services Private Limited
- 24 Sheshan Housing and Area Development Engineers Limited
- 25 Sunmist Builders Private Limited (upto December 27, 2011)
- 26 Superaction Realty Private Limited (upto December 28, 2011)
- 27 Upvan Lake Resorts Private Limited
- 28 Urvi Build Tech Limited
- 29 Vama Housing Limited
- 30 Vega Developers Private Limited
- 31 Vishal Nirman (India) Limited
- 32 Vishal Techno Commerce Limited
- 33 Yantti Buildcon Private Limited

II. ASSOCIATES

- 1 Ackruti City Bus Terminal (Surat) Private Limited (upto February 18, 2012)
- 2 Bigcity Developers Private Limited (upto December 27, 2011)
- 3 Forefront Realty Private Limited (upto December 28, 2011)
- 4 Citywood Builders Private Limited
- 5 Comral Realty Private Limited
- 6 Gallant Infotech Private Limited
- 7 Glamorous Properties Private Limited (upto July 31, 2011)
- 8 Harbinger Developers Private Limited
- 9 Joynest Premises Private Limited
- 10 Pristine Developers Private Limited
- 11 Sunstream City Private Limited
- 12 Trans Gulf MEP Engineers Private Limited (from September 8, 2011)
- 13 Whitebud Developers Limited
- 14 Vinca Developer Private Limited
- 15 Leading Work Properties Private Limited
- 16 Yellowcity Builders Private Limited

III. JOINTLY CONTROLLED ENTITIES

- 1 Ackruti City Bus Terminal (Vadodara) Private Limited
- 2 Ackruti City Bus Terminal (Mehsana) Private Limited
- 3 Ackruti City Bus Terminal (Adajan) Private Limited
- 4 Ackruti City Bus Terminal (Ahmedabad) Private Limited
- 5 Ackruti City Magnum Limited (from July 01, 2011)
- 6 Quadron Business Park Limited (Formerly known as DLF Ackruti Info Parks (Pune) Limited (upto December 28, 2011))
- 7 Hoary Realty Limited
- 8 Joyous Housing Limited
- 9 Rare Townships Private Limited
- 10 Aarti Projects and Constructions
- 11 Akruti Jay Chandan JV
- 12 Primeria JV (Formerly known as Akruti Forefront JV)
- 13 Akruti GM JV
- 14 Akruti Jay Developers
- 15 Akruti Kailash Constructions
- 16 Akruti Realty Forefront Combine
- 17 Akruti Steelfab Corporation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

III. JOINTLY CONTROLLED ENTITIES

- 18 Hiranandani Akruti JV
- 19 Shreenath Realtors
- 20 Akruti SMC JV
- 21 Gandhi Adhivitiya Combine
- 22 Sole Builders (formerly known as Commercial Construction Corporation)
- 23 Panama JV (from April 01, 2011)
- 24 Gulati Estate Joint Venture (from February 22, 2012)

IV. KEY MANAGEMENT PERSONNEL

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director
- 3 Mr. Madhukar B. Chobe, Executive Director

V. RELATIVES OF KEY MANAGEMENT PERSONNEL

- 1 Mrs. Lata M. Shah - Mother of Executive Chairman and Managing Director
- 2 Mrs. Kunjal H. Shah - Wife of Executive Chairman
- 3 Mrs. Falguni V. Shah - Wife of Managing Director
- 4 Mr. Rushank V. Shah - Son of Managing Director
- 5 Mr. Khilen V. Shah - Son of Managing Director
- 6 Master Kushal H. Shah - Son of Executive Chairman
- 7 Hemant M. Shah HUF - Karta Executive Chairman
- 8 Vyomesh M. Shah HUF - Karta Managing Director
- 9 Mahipatray V. Shah HUF - Karta Executive Chairman

VI. ENTERPRISES WHERE KEY MANAGERIAL PERSONNEL OR THEIR RELATIVES EXERCISE SIGNIFICANT INFLUENCE (where transactions have taken place)

- 1 Akruti Campus of Research and Education Private Limited (from December 28, 2011)
- 2 Bigcity Developers Private Limited (from December 28, 2011)
- 3 Buildbyte. Com. (India) Private Limited
- 4 Citygold Management Services Private Limited
- 5 Forefront Realty Private Limited (from December 28, 2011)
- 6 Harmony Erectors Private Limited (from December 28, 2011)
- 7 Helik Advisory Limited (Formerly known as Helik Consultancy Limited)
- 8 Ichha Constructions Private Limited
- 9 Saicharan Consultancy Private Limited
- 10 Sanskriti Developers Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties :

(₹ in lacs)

Sr. No.	Nature of transactions	Subsidiary Companies	Associate Companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
i.	Loans and Advances received/ recovered/ adjusted				
	Vishal Techno Commerce Limited	— (8,450.73)	— (—)	— (—)	— (—)
	Citygold Farming Private Limited	— (210.00)	— (—)	— (—)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	5,503.89 (9,102.78)	— (—)
	Akruti Jay Developers	— (—)	— (—)	— (4,930.52)	— (—)
	Ackruti City Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	— (5,488.85)	— (—)
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	5,901.49 (2,003.99)
	Sunstream City Private Limited	— (—)	12,501.00 (450.00)	— (—)	— (—)
	Others	11,585.82 (6,083.89)	0.25 (909.44)	10,679.02 (9,748.17)	1,265.83 (825.93)
ii.	Loans and Advances given/ repaid/adjusted (including other payments)				
	Akruti Jay Chandan JV	— (—)	— (—)	— (9,536.37)	— (—)
	Heddle Knowledge Private Limited	— (4,065.22)	— (—)	— (—)	— (—)
	Sunstream City Private Limited	— (—)	27,011.65 (13,855.15)	— (—)	— (—)
	Others	7,759.04 (22,055.62)	1,463.75 (6,354.76)	24,440.62 (15,590.72)	4,643.45 (3,677.32)
iii.	Interest received				
	Sunstream City Private Limited	— (—)	— (6,601.48)	— (—)	— (—)
	Akruti Jay Developers	— (—)	— (—)	— (533.36)	— (—)
	Devkrupa Build Tech Limited	389.53 (406.74)	— (—)	— (—)	— (—)
	Yantti Buildcon Private Limited	489.33 (274.20)	— (—)	— (—)	— (—)
	Others	1,291.57 (1,305.45)	475.32 (1,123.76)	539.26 (1,189.01)	364.69 (290.68)
iv.	Interest paid				
	Akruti Jay Chandan JV	— (—)	— (—)	— (442.41)	— (—)
	Akruti SMC JV	— (—)	— (—)	16.25 (—)	— (—)
	Vyomesh M. Shah	— (—)	— (—)	— (—)	— (1.76)
	Kunjai H. Shah	— (—)	— (—)	— (—)	44.06 (7.25)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	— (—)	— (7.82)
	Others	— (—)	— (—)	— (41.04)	94.68 (28.77)

Footnote:

a. \$ Enterprises where key managerial personnel or their relatives exercise significant influence

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.) :

(₹ in lacs)

Sr. No.	Nature of transactions	Subsidiary Companies	Associate Companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
v.	Deposits received				
	Vyomesh M. Shah	—	—	—	—
		(—)	(—)	(—)	(50.00)
	Kunjai H. Shah	—	—	—	575.00
		(—)	(—)	(—)	(20.00)
	Falguni V. Shah	—	—	—	—
		(—)	(—)	(—)	(80.00)
	Lata M. Shah	—	—	—	—
		(—)	(—)	(—)	(50.00)
	Rushank V. Shah	—	—	—	162.51
		(—)	(—)	(—)	(25.00)
	Hemant M. Shah HUF	—	—	—	170.00
		(—)	(—)	(—)	(—)
	Mahipatray V. Shah HUF	—	—	—	240.00
		(—)	(—)	(—)	(—)
	Others	—	—	—	380.00
		(—)	(—)	(—)	(50.00)
vi.	Deposits repaid / pre-matured				
	Khilen V. Shah	—	—	—	—
		(—)	(—)	(—)	(25.00)
	Kunjai H. Shah	—	—	—	575.00
		(—)	(—)	(—)	(—)
	Rushank V. Shah	—	—	—	160.00
		(—)	(—)	(—)	(—)
	Hemant M. Shah HUF	—	—	—	170.00
		(—)	(—)	(—)	(—)
	Mahipatray V. Shah HUF	—	—	—	240.00
		(—)	(—)	(—)	(—)
	Others	—	—	—	380.00
		(—)	(—)	(—)	(—)
vii.	Directors' Remuneration				
	Hemant M. Shah	—	—	—	182.43
		(—)	(—)	(—)	(263.96)
	Vyomesh M. Shah	—	—	—	165.84
		(—)	(—)	(—)	(237.70)
	Madhukar B. Chobe	—	—	—	54.00
		(—)	(—)	(—)	(51.00)
	Remuneration to relatives of KMPs				
	Rushank V. Shah	—	—	—	2.96
		(—)	(—)	(—)	(—)
	Khilen V. Shah	—	—	—	2.89
		(—)	(—)	(—)	(—)
viii.	Investments (Including Debentures) made				
	Joynest Premises Private Limited	—	—	—	—
		(—)	(787.50)	(—)	(—)
	Gulati Estate Joint Venture	—	—	12,385.10	—
		(—)	(—)	(—)	(—)
	Ackruti City Bus Terminal (Mehsana) Private Limited	—	—	—	—
		(—)	(—)	(631.50)	(—)
	Ackruti City Bus Terminal (Adajan) Private Limited	—	—	—	—
		(—)	(—)	(481.50)	(—)
	Ackruti City Bus Terminal (Ahmedabad) Private Limited	—	—	2,132.50	—
		(—)	(—)	(—)	(—)

Footnote:

a. \$ Enterprises where key managerial personnel or their relatives exercise significant influence

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.) :

(₹ in lacs)

Sr. No.	Nature of transactions	Subsidiary Companies	Associate Companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
viii.	Investments (Including Debentures) made (contd.)				
	Akruti GM JV	— (—)	— (—)	— (262.55)	— (—)
	Others	3,000.20 (34.80)	301.05 (5.26)	13.63 (311.36)	— (—)
ix.	Investments transferred/ withdrawn				
	Akruti Jay Chandan JV	— (—)	— (—)	2,432.33 (2,302.70)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	2,500.00 (—)	— (—)
	Others	33.35 (42.74)	303.86 (—)	66.00 (—)	0.76 (2.00)
x.	Expenditure incurred on joint venture projects				
	Joyous Housing Limited	— (—)	— (—)	136.39 (—)	— (—)
	Rare Townships Private Limited	— (—)	— (—)	616.94 (—)	— (—)
	Others	— (—)	— (—)	— (—)	5.55 (—)
xi.	Advance against Share Application				
	Vega Developers Private Limited	70.00 (166.00)	— (—)	— (—)	— (—)
	Gujarat Akruti — TCG Biotech Limited	10.00 (60.00)	— (—)	— (—)	— (—)
	Rare Townships Private Limited	— (—)	— (—)	— (642.33)	— (—)
	Others	— (254.74)	— (100.00)	— (—)	— (—)
xii.	Advance against Share Application adjusted/refunded				
	Heeler Hospitality Private Limited	1,052.09 (2107.41)	— (—)	— (—)	— (—)
	Jihant Housing Private Limited	— (180.00)	— (—)	— (—)	— (—)
	Joynest Premises Private Limited	— (—)	— (406.46)	— (—)	— (—)
	Vega Developers Private Limited	1,290.89 (—)	— (—)	— (—)	— (—)
	Others	39.74 (102.89)	— (—)	— (—)	0.07 (—)
xiii.	Services received/availed				
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	820.83 (898.02)
	Others	— (—)	— (9.46)	— (—)	— (8.57)

Footnote:

a. \$ Enterprises where key managerial personnel or their relatives exercise significant influence

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.) :

(₹ in lacs)

Sr. No.	Nature of transactions	Subsidiary Companies	Associate Companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xiv.	Services Rendered				
	Akruti Jay Chandan JV	— (—)	— (—)	— (113.61)	— (—)
	Quadron Business Park Limited (Formerly known as DLF Akruti Info Parks (Pune) Limited)	— (—)	— (—)	3,289.00 (95.52)	— (—)
	Joyous Housing Limited	— (—)	— (—)	— (50.08)	— (—)
	Others	— (—)	— (—)	132.72 (—)	— (—)
xv.	On behalf payments (Including Reimbursement of Expenses)				
	Sunstream City Private Limited	— (—)	7,973.72 (5,998.61)	— (—)	— (—)
	Vishal Techno Commerce Limited	— (85.72)	— (—)	— (—)	— (—)
	Others	51.15 (262.49)	797.19 (649.69)	2,469.02 (1,971.65)	— (1.35)
xvi.	On behalf payments received/adjusted				
	Sunstream City Private Limited	— (—)	12,500.00 (—)	— (—)	— (—)
	Quadron Business Park Limited (Formerly known as DLF Akruti Info Parks (Pune) Limited)	— (—)	— (—)	2,306.19 (—)	— (—)
	Akruti Jay Developers	— (—)	— (—)	4,203.45 (446.34)	— (—)
	Others	276.60 (4,697.88)	43.67 (108.78)	2,027.60 (1,243.77)	— (—)
xvii.	Corporate Guarantees given for loans availed by others				
	Pristine Developers Private Limited	— (—)	3,444.46 (—)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	2,244.68 (449.32)	— (—)
	Corporate Guarantees given for on behalf payments				
	Yantfi Buildcon Private Limited	885.83 (—)	— (—)	— (—)	— (—)
xviii.	Corporate Guarantees vacated for loans availed by others				
	Quadron Business Park Limited (Formerly known as DLF Akruti Info Parks (Pune) Limited)	—	—	14,000.26	—
xix.	Corporate Guarantees availed towards loan —vacated				
	Akruti Jay Developers			Amount not quantifiable **	
xx.	Purchase of Car				
	Citygold Education Research Limited	1.47 (—)	— (—)	— (—)	— (—)
xxi.	Share of profit from Partnerships/Joint Ventures				
	Akruti Kailash Constructions	— (—)	— (—)	— (13,686.12)	— (—)
	Hiranandani Akruti JV	— (—)	— (—)	39.60 (39.60)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	147.43 (88.18)	— (—)
	Primeria JV	— (—)	— (—)	— (1.77)	— (—)
	Akruti Jay Developers	— (—)	— (—)	— (7.14)	— (—)

Footnote:

a. \$ Enterprises where key managerial personnel or their relatives exercise significant influence.

b. ** Amounts not quantifiable since the guarantee is limited upto the value of projects under consideration of which valuation fluctuate based on prevailing market conditions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.) :

(₹ in lacs)

Sr. No.	Nature of transactions	Subsidiary Companies	Associate Companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxii.	Share of loss from Partnerships/Joint Ventures				
	Akruti Kailash Constructions	— (—)	— (—)	309.11 (—)	— (—)
	Akruti Jay Developers	— (—)	— (—)	303.97 (—)	— (—)
	Sole Builders (formerly Commercial Construction Corporation)	— (—)	— (—)	0.57 (0.97)	— (—)
	Akruti Realty Forefront Combine	— (—)	— (—)	2.66 (1.00)	— (—)
	Akruti Steelfab Corporation	— (—)	— (—)	0.04 (0.01)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	1.19 (4.60)	— (—)
	Primeria JV	— (—)	— (—)	11.71 (—)	— (—)
	Gulati Estate JV	— (—)	— (—)	0.05 (—)	— (—)
xxiii.	Advance received towards purchase of flat				
	Hemant M. Shah - Karta Hemant M. Shah (HUF)	— (—)	— (—)	— (—)	— (30.00)
xxiv.	Sale of Land				
	Yantti Buildcon Private Limited	— (2.62)	— (—)	— (—)	— (—)
xxv.	Purchase of Shares				
	Vishal Nirman (India) Limited	2.13 (8.36)	— (—)	— (—)	— (—)
	Kunjai H. Shah	— (—)	— (—)	— (—)	— (3.20)
	Falguni V. Shah	— (—)	— (—)	— (—)	— (3.20)
	Lata M. Shah	— (—)	— (—)	— (—)	— (3.20)
	Khilen V. Shah	— (—)	— (—)	— (—)	— (3.20)
	Kushal H. Shah	— (—)	— (—)	— (—)	— (3.20)
xxvi.	Sale of Shares				
	Ackruti City Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	2.50 (—)	— (—)
	Rushank V. Shah	— (—)	— (—)	— (—)	6.15 (—)
	Khilen V. Shah	— (—)	— (—)	— (—)	6.15 (—)
	Kushal H. Shah	— (—)	— (—)	— (—)	6.15 (—)
	Falguni V. Shah	— (—)	— (—)	— (—)	6.15 (—)
	Kunjai H. Shah	— (—)	— (—)	— (—)	6.15 (—)

Footnote:

a \$ Enterprises where key managerial personnel or their relatives exercise significant influence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.) :

(₹ in lacs)

Sr. No.	Nature of transactions	Subsidiary Companies	Associate Companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxvii.	Advance paid towards purchase of TDR				
	Vinca Developer Private Limited	— (—)	— (50.00)	— (—)	— (—)
xxviii.	Advance receivable towards purchase of TDR				
	Vinca Developer Private Limited	— (—)	— (50.00)	— (—)	— (—)
xxix.	Personal Guarantee of Directors given during the year				
	Debentures	—	—	—	7,500.00
	Financial Institutions	—	—	—	6,850.00
xxx.	Personal Guarantee of Directors vacated				
	Banks	—	—	—	19,604.00
xxxi.	Balance Outstanding *				
	Receivables				
	Sunstream City Private Limited	— (—)	58,742.19 (48,757.81)	— (—)	— (—)
	Akruti Kailash Constructions	— (—)	— (—)	19,465.29 (20,046.96)	— (—)
	Others	27,696.05 (32,373.08)	11,721.20 (11,676.90)	17,710.94 (10,390.24)	830.32 (2,462.80)
	Payables				
	Ackruti City Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	— (1,905.41)	— (—)
	Ackruti City Bus Terminal (Adajan) Private Limited	— (—)	— (—)	— (1,323.77)	— (—)
	Ackruti City Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	— (834.24)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	2,504.97 (—)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	1,524.79 (150.24)	— (—)
	Others	— (3.04)	2.79 (12.37)	545.60 (1.29)	121.76 (788.03)
xxxii.	Corporate Guarantees given for loans availed by others (amounts outstanding thereagainst)				
	Pristine Developers Private Limited	— (—)	6,292.00 (2,847.54)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	2,694.00 (14,449.58)	— (—)
xxxiii.	Corporate Guarantees given for on behalf payments (amounts outstanding thereagainst)				
	Yantti Buildcon Private Limited	2,413.35 (1,527.53)	— (—)	— (—)	— (—)
	Ackruti City Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	2,474.83 (2,474.83)	— (—)
	Others	— (—)	— (—)	282.30 (345.80)	— (—)

Footnotes:

a. * Includes balances relating to transactions entered when these were not related.

b. \$ Enterprises where key managerial personnel or their relatives exercise significant influence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.) :

(₹ in lacs)

Sr. No.	Nature of transactions	Subsidiary Companies	Associate Companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxxiv.	Dividend paid				
	Hemant M. Shah	—	—	—	145.00
		(—)	(—)	(—)	(290.00)
	Vyomesh M. Shah	—	—	—	188.50
		(—)	(—)	(—)	(377.00)
	Mahipatray V. Shah (HUF)	—	—	-	240.00
		(—)	(—)	(—)	(480.00)
	Hemant M. Shah (HUF)	—	—	—	172.30
		(—)	(—)	(—)	(344.60)
	Vyomesh M. Shah (HUF)	—	—	—	102.50
		(—)	(—)	(—)	(205.00)
	Kunjai H. Shah	—	—	—	132.70
		(—)	(—)	(—)	(265.40)
	Falguni V. Shah	—	—	—	159.00
		(—)	(—)	(—)	(318.00)
	Rushank V. Shah	—	—	—	90.00
		(—)	(—)	(—)	(180.00)
	Khilen V. Shah	—	—	—	90.00
		(—)	(—)	(—)	(180.00)
	Kushal H. Shah	—	—	—	90.00
		(—)	(—)	(—)	(180.00)
	Lata M. Shah	—	—	—	60.00
		(—)	(—)	(—)	(120.00)
xxxv.	Personal Guarantee of Directors				
	Banks	—	—	—	63,640.27
		(—)	(—)	(—)	(78,606.93)
	Debentures	—	—	—	17,500.00
		(—)	(—)	(—)	(10,000.00)
	Financial Institutions	—	—	—	16,257.16
		(—)	(—)	(—)	(16,271.11)
xxxvi.	Guarantees / Securities by way of shares in the Company pledged against loans availed by the Company				
		—	—	—	—
		(—)	(—)	(—)	Amount not quantifiable #

Footnotes:

- # amounts not quantifiable since they fluctuate based on market price of the quoted shares.
- Previous year figures are given in brackets.
- Related party relationships are identified by the Company and relied upon by the auditors.
- \$ Enterprises where key managerial personnel or their relatives exercise significant influence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '34'		
LEASE RENTAL OBLIGATION IN RESPECT OF PREMISES TAKEN UNDER OPERATING LEASES		
Operating lease obligations: The Company had taken office and other facilities under non-cancellable operating leases for a period of thirty-six months, which were renewable on a periodic basis with escalation ranging between 10% - 15% as per the terms of the agreement.		
Lease rentals payables:		
Not later than one year	—	60.00
Later than one year but not later than five years	—	55.00
Later than five years	—	—
NOTE '35'		
LEASE RENTAL INCOME IN RESPECT OF PREMISES GIVEN UNDER OPERATING LEASES		
Operating lease obligations: The Company had given office and other facilities under non-cancellable operating leases for a period of thirty-six months, which were renewable on a periodic basis with escalation ranging between 10% - 15% as per the terms of the agreement.		
Lease rentals receivables:		
Not later than one year	836.42	7.69
Later than one year but not later than five years	3,213.23	6.90
Later than five years	—	—
NOTE '36'		
CONTINGENT LIABILITIES (NOT PROVIDED FOR) :		
(A) Claims against the Company not acknowledged as debts on account of :		
1) Income tax matters under appeal	1,179.91	6,078.37
2) Demand notice issued by Brihanmumbai Mahanagar Palika for land construction charges (property tax)	548.19	547.14
3) Development permission from forest department	156.22	156.22
(B) On account of corporate guarantees issued by the Company to bankers on behalf of other companies and joint ventures for facilities availed by them (amounts outstanding thereagainst.)	72,968.49	71,297.12
Further, interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice are not sustainable.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '37'

DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS PER CLAUSE 32 OF THE LISTING AGREEMENT

A. Loans to subsidiary companies		31 March, 2012		31 March, 2011	
Sr. No.	Name of the Loanees	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)
1.	Adhivitiya Properties Limited	1,019.21	1,019.21	761.42	761.42
2.	Akruti Middle East (FZE)*	—	—	—	7.01
3.	Halitious Developer Limited (Refer footnote b) (Formerly known as Halitious Warehousing Limited)	—	2,139.55	2,139.55	2,139.55
4.	Vama Housing Limited (Refer footnote b)	451.00	451.00	450.00	453.77
5.	Arnav Gruh Limited	1,892.66	2,700.54	2,700.54	2,700.54
6.	Devkrupa Build Tech Private Limited	855.70	3,231.55	3,231.55	3,231.55
7.	Holiac Realty Limited	1,184.23	1,184.23	761.26	761.26
8.	Sheshan Housing and Area Development Engineers Limited (Refer footnote a)	—	—	—	1.10
9.	Diviniti Projects Private Limited (Refer footnote b)	—	1.00	—	4.49
10.	Heet Builders Private Limited	1,383.62	1,383.62	1,189.86	1,189.86
11.	Vishal Nirman (India) Limited	—	11.00	—	11.10
12.	Vishal Techno Commerce Limited (Refer footnote b)	1,685.00	1,685.00	52.50	1,540.73
13.	Gujarat Akruti-TCG Biotech Limited	—	—	—	45.00
14.	Urvi Build Tech Limited	542.67	2,350.72	2,350.72	2,350.72
15.	Pushpak Healthcare Services Private Limited	—	3.77	3.77	3.82
16.	Superaction Realty Private Limited (Refer footnote a)	—	—	32.08	32.08
17.	Yantti Buildcon Private Limited	2,947.83	2,947.83	1,473.98	1,473.98
18.	Upvan Lake Resorts Private Limited	338.08	338.08	221.75	221.75
19.	Nova Realty Private Limited (Refer footnote a)	—	—	—	0.25
20.	Heddle Knowledge Private Limited (Refer footnote b)	1,812.22	2,490.72	2,471.22	4,666.22
21.	India Development and Construction Venture Capital Private Limited	5.91	6.86	5.91	5.91
22.	Citygold Education Research Limited (Refer footnote b)	3,355.07	3,565.60	3,532.07	3,532.07
23.	Citygold Farming Private Limited (Refer footnote b)	3,461.82	4,061.82	3,951.27	3,991.27
24.	Ackruti Safeguard Systems Private Limited	1,040.39	1,040.39	717.99	717.99
25.	Ackruti Campus of Research and Education Private Limited (Refer footnote a)	—	—	—	1.87
26.	Headland Farming Private Limited (Refer footnote b)	937.19	1,070.69	1,042.19	2,563.84
27.	Sunmist Builders Private Limited (Refer footnote a)	—	—	22.37	22.37
28.	Vega Developers Private Limited	1,290.89	1,290.89	—	—
29.	Heeler Hospitality Private Limited (Refer footnote b)	1,052.09	1,052.09	—	—
30.	Harmony Erectors Private Limited (Refer footnote a)	—	—	0.23	0.23
31.	Merrygold Buildcon Private Limited (Refer footnote b)	7.36	7.36	6.00	12.00
32.	ABP Realty Advisors Private Limited	26.74	26.74	—	26.74

Footnotes:

* Liquidated during the previous year.

a. De-subsidiarised during the year

b. Interest free loan has been given to wholly owned subsidiary.

c. Above loans are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '37' (Contd.)

B. Loans to associate companies			31 March, 2012		31 March, 2011	
Sr. No.	Name of the Loanees	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	
1.	Whitebud Developers Limited	580.07	580.07	491.86	491.86	
2.	Joyneest Premises Private Limited	435.85	435.85	174.04	197.05	
3.	Trans Gulf MEP Engineers Private Limited (w.e.f. F.Y. 2011-2012)	—	0.25	—	—	
4.	Pristine Developers Private Limited	48.44	48.44	41.69	41.69	
5.	Sunstream City Private Limited	55,225.40	55,225.40	40,714.75	44,759.60	
6.	Yellowcity Builders Private Limited	—	—	—	100.00	
7.	Comral Realty Private Limited	3,206.53	3,206.53	1,719.71	1,719.71	
8.	Ackruti City Bus Terminal (Surat) Private Limited (Refer footnote a)	—	—	121.77	121.77	
9.	Citywood Builders Private Limited	4,338.63	4,338.63	4,268.63	4,399.23	
10.	Vinca Developer Private Limited	—	—	—	50.00	

Footnotes:

- Sold during the year.
- Above loans are repayable on demand.

C. Loans to partnership firms and others			31 March, 2012		31 March, 2011	
Sr. No.	Name of the Loanees	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	
1.	Aarti Projects and Constructions (Refer footnote a)	—	1,000.37	729.87	780.15	
2.	Akruti Jay Developers (Refer footnote a)	—	4,821.25	—	2,002.49	
3.	Akruti Steelfab Corporation (Refer footnote a)	—	—	—	36.90	
4.	Akruti Kailash Constructions (Refer footnote a)	1,692.21	1,692.21	1,251.21	2,874.83	
5.	Sole Builders (formerly known as Commercial Construction Corporation) (Refer footnote a)	871.40	871.40	739.13	739.13	
6.	Shreenath Realtors (Refer footnote a)	1,191.31	1,191.31	1,176.31	1,176.31	
Others:						
7.	Ackruti Citygold Institute (Refer footnote b)	—	—	—	25.21	
8.	Giraffe Developers Private Limited (Refer footnote c)	7,500.00	12,500.00	12,500.00	12,500.00	
9.	Namdeo P. Gadkari (Refer footnote b)	20.00	20.00	20.00	20.00	

Footnotes:

- Partnership firms in which the Company is a partner.
- Interest free loans.
- Transaction towards commercial business arrangement (Refer note 13(D)(a)).
- Above loans are repayable on demand except item no. 8.

D. On behalf payments (Including reimbursement of expenses) (refer footnote a)			31 March, 2012		31 March, 2011	
Sr. No.	Name of the Entity	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	
Subsidiaries						
1.	Holiac Realty Limited	38.23	38.23	32.24	22.20	
2.	Heet Builders Private Limited	27.26	—	50.55	27.26	
3.	Vishal Techno Commerce Limited	85.72	—	604.00	85.72	
4.	Yantti Buildcon Private Limited	191.39	49.91	2,248.89	191.39	
5.	Pushpak Healthcare Services Privated Limited	6.16	6.16	2.39	2.39	
6.	Upvan Lake Resort Private Limited	156.80	17.55	8.33	8.33	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Sr. No.	Name of the Entity	31 March, 2012		31 March, 2011	
		Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)
	Associates				
7.	Ackruti City Bus Terminal (Surat) Private Limited	38.51	37.49	38.77	37.49
9.	Whitebud Developers Limited	4.03	3.72	11.12	3.46
10.	Pristine Developers Private Limited	99.51	56.69	199.51	99.51
11.	Sunstream City Private Limited	13,951.85	3,516.79	13,984.39	8,043.06
12.	Citywood Builders Private Limited	2,197.19	2,197.19	2,094.18	1,511.76
13.	Ackruti City Bus Terminal (Ahmedabad) Private Limited	790.81	30.06	93.90	75.05
14.	Joyneest Premises Private Limited	106.22	106.22	6.44	6.44
15.	Comral Realty Private Limited (Formerly known as Kamla Shanti Realities Private Limited)	10.86	10.86	—	—
	Jointly Controled Entities				
16.	Ackruti City Bus Terminal (Mehsana) Private Limited	215.16	44.49	2,542.16	159.12
17.	Ackruti City Bus Terminal (Adajan) Private Limited	275.20	101.23	1,741.17	153.15
18.	Ackruti City Bus Terminal (Vadodra) Private Limited	130.11	47.45	858.52	55.54
19.	Joyous Housing Limited	2.53	2.53	47.07	2.00
	Partnership Firms and Joint Ventures				
20.	Shreenath Realtors	828.43	828.43	777.58	522.93
21.	Aarti Projects & Constructions	264.58	—	273.93	123.98
22.	Akruti Kailash Construction	1,204.63	490.57	1,496.09	1,204.63
23.	Ackruti Jay Developers	3,821.92	—	4,185.17	3,259.12
24.	Gandhi Adhivitiya Combine	91.25	32.60	126.19	91.25
25.	Commercial Construction Coporation	4.66	0.95	4.66	4.66
26.	Akruti Chandan JV	128.58	0.45	1,250.33	—
27.	Akruti GM JV	437.73	437.73	910.10	248.61
28.	Akruti SMC JV	85.39	85.39	85.39	85.39
29.	Primeria JV	152.93	152.93	172.98	152.93
30.	Akruti Realty Forefront Combine	176.58	176.58	175.77	175.77
31.	Wellgroomed Venture	136.00	—	—	—
32.	Panama Joint Venture	92.32	92.32	—	—
	Others				
33.	Super Success Private Limited	188.56	188.56	188.56	188.56

NOTE '38'

DISCLOSURE OF DERIVATIVES

- No derivative instruments were outstanding at the end of the year.
- Uncovered risks in foreign currency transactions disclosed as at 31 March, 2012.
- Previous year figures are given in brackets.

Particulars	USD	EURO	U K Pound	SG \$	AED
Cash on hand	2,982 (4,570)	110 (110)	67 (667)	165 (165)	600 (600)
Trade Payables	61,258 (—)	— (—)	— (—)	61,274 (—)	— (87,861)
Advances to supplier	— (11,511)	— (—)	— (—)	12,240 (—)	— (—)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOTE '39'

A. INTEREST IN THE LIABILITIES, ASSETS, INCOME AND EXPENSES WITH RESPECT TO ENTITIES UNDER JOINT CONTROL AS AT 31st MARCH, 2012

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
LIABILITIES :		
Non-current liabilities		
Long-term borrowings	3,037.56	14,457.99
Deferred Tax Liabilities	6.10	8.02
Long-term trade payables	119.62	7.72
Other long term liabilities	415.50	1,218.44
Long-term provisions	3.05	0.54
Current liabilities		
Short-term borrowings	22,998.81	18,457.59
Trade payables	3,364.01	5,696.43
Other current liabilities	21,367.43	11,599.37
Short term provisions	108.85	62.27
ASSETS :		
Non-current assets		
Fixed assets		
Tangible assets	4,390.74	12,652.81
Intangible assets	14.22	23.71
Capital work-in-progress	4.25	8,534.63
Non-current investments	1,470.90	75.79
Long-term loans and advances	212.07	355.92
Long-term trade receivables	11,387.34	—
Other non-current assets	1,665.95	1,060.32
Current assets		
Inventories	52,919.42	28,227.63
Trade receivables	9,544.04	20,851.13
Cash and bank balances	4,996.65	3,628.14
Short-term loans and advances	10,556.57	8,048.59
Other current assets	405.15	261.25
TOTAL INCOME:		
Total revenue	7,979.41	21,014.84
Prior period adjustments (Net)	0.63	2.65
EXPENDITURE:		
Costs of construction / development	15,837.61	9,818.60
Changes in inventories of work-in-progress, finished properties and FSI	(15,722.20)	(8,760.04)
Employee benefits expense	290.28	36.24
Finance costs	5,605.51	4,536.97
Depreciation and amortisation	438.68	416.56
Other expenses	2,941.65	2,335.98
Tax expense	168.16	84.65

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '39' (Contd.)

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
B. SHARE OF CONTINGENT LIABILITIES AND COMMITMENTS (NOT PROVIDED FOR):		
(A) Claims against the Company not acknowledged as debts on account of :		
1) Income tax matters under appeal	44.31	474.40
2) Demand notice issued by Brihanmumbai Mahanagar Palika for land construction charges (property tax)	16.89	506.97
3) Others	23.28	19.87
(B) On account of corporate gurantees issued by the Company to Bankers on behalf of other companies and joint ventures for facilities availed by them (amounts outstanding thereagainst.)	5,934.58	3,213.00

NOTE '40'.

As notified by the Ministry of Corporate Affairs, the Revised Schedule VI to the Companies Act, 1956 is applicable to the financial statements for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statements for the year ended 31st March, 2012 are prepared and presented in accordance with the Revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to conform to the requirements of the Revised Schedule VI.

As per our report of even date

For and on behalf of the Board of Directors

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

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm Registration No. 103523 W

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 30th May, 2012

Mumbai
Date: 30th May, 2012

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF HUBTOWN LIMITED (FORMERLY KNOWN AS ACKRUTI CITY LIMITED)

To the Board of Directors of Hubtown Limited

1. We have audited the attached Consolidated Balance Sheet of Hubtown Limited ("the Company") and its Subsidiaries, Joint Ventures and Associates (collectively referred to as "the group") as at 31st March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of twenty subsidiaries and twenty joint ventures, whose financial statements reflect total assets (net) of ₹ 1,82,035.21 lacs as at 31st March, 2012, total net revenues of ₹ 17,500.65 lacs and net cash out flows amounting to ₹ 1,221.41 lacs for the year then ended. We also did not audit the financial statements of seven associates, whose aggregate share of net loss amounting to ₹ 79.41 lacs are also included in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors.
4. The standalone financial statements of six subsidiaries and three joint ventures, which reflect total assets of ₹ 40,165.36 lacs as at 31st March, 2012, total revenues (net) of ₹ 3,125.16 lacs and net cash inflows of ₹ 219.01 lacs for the year then ended and the standalone financial statements of two associates, whose aggregate share of net loss amounting to ₹ 340.48 lacs are also included in the consolidated financial statements were audited by one of the joint auditors M/s Doshi Doshi & Associates who have furnished their report to other joint auditor M/s Haribhakti & Co. The other joint auditor has not audited the financial statements of these standalone subsidiaries/ fellow subsidiaries / joint ventures and their opinion is based solely on the report of the first joint auditor.
5. The financial statements of one of the Joint Ventures which reflect total assets of ₹ 26,471.26 lacs as at 31st March, 2012, total revenues (net) of ₹ 6.42 lacs and net cash outflow of ₹ 131.84 lacs and the consolidated financial statement of one Associate (which comprises consolidation of its two step down subsidiaries) which reflect total assets of ₹ 53,620.97 lacs as at 31st March, 2012, total revenues (net) of ₹ 1,178.37 lacs and net cash inflows of ₹ 2,260.83 lacs, were approved by the Management of this Joint Venture and Associate, which have been furnished to us. We have not audited the financial statements of these entities and have relied on such management accounts.
6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements", Accounting Standards (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" as notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Hubtown Limited and its subsidiaries, joint ventures and associates.
7. Without qualifying our opinion, attention is invited to :
 - (a) Note no. 3 (iii) (A) in the financial statements with regard to recognition of revenue for ongoing projects which is based upon estimated costs, as per the judgement of the Management, which have been relied upon by us, these being technical matters.
 - (b) Note no. 3 (vii) in the financial statements with regard to manner in which expenses incurred by the Company on Joint Venture projects has been accounted for.
 - (c) Note no. 14 (footnote b) in the financial statements with regard to investment in certain debentures.
 - (d) Note no. 20 in the financial statements with regard to an amount of ₹ 1864.53 lacs which remained outstanding over two years. We have relied upon the Management's expectation that such amount would be fully recoverable.

HUBTOWN

8. *Attention is invited to Note no. 30 with regard to a major fire which took place at the registered office of the Company on December 23, 2011, causing extensive damage and destruction of the records, documents and assets of the Company, including the financial accounting records. The Company has, however, substantially reconstructed the financial records which have been relied upon for our opinion. The Management is of the opinion that no significant adjustment would be necessary, to the position reported in the financial statements, upon reconstruction of balance documents and records.*
9. *In respect of the entities which have not been audited by either of the Joint Auditors, the relevant details of 'inter Company transactions' are as compiled by the Management, but not verified by the other auditors. We are unable to comment upon the adjustments required to be made, if any, in the financial statements of the Group on account of such transactions.*
10. *Balances of trade payables and advances to suppliers are subject to confirmation & consequential adjustment, if any.*
11. *Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and subject to the matters included in paragraphs 8, 9 & 10 and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:*
 - (a) *in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012;*
 - (b) *in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and*
 - (c) *in the case of the Consolidated Cash flow statement, of the cash flows of the Group for the year ended on that date.*

For Doshi Doshi & Associates

Firm Registration Number: 121773W
Chartered Accountants

Dinesh Doshi

Partner
Membership No.: F-9464

Mumbai: May 30, 2012

For Haribhakti & Co.

Firm Registration Number: 103523W
Chartered Accountants

Chetan Desai

Partner
Membership Number: F-17000

Mumbai: May 30, 2012

HUBTOWN

CONSOLIDATED BALANCE SHEET As At 31st MARCH, 2012

Particulars	Note No.	As At 31 March 2012 (₹ in lacs)	As At 31 March 2011 (₹ in lacs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	7,273.59	7,273.59
Reserves and surplus	5	160,899.04	153,516.60
		168,172.63	160,790.19
Minority interest			
Share application money pending allotment		22.35	33.78
		473.30	473.30
Non-current liabilities			
Long-term borrowings	6	38,884.37	82,651.22
Long-term trade payables	7	2,067.74	867.69
Other long term liabilities	8	618.73	1,308.54
Long-term provisions	9	20.23	0.02
		41,591.07	84,827.47
Current liabilities			
Short-term borrowings	10	58,648.99	44,312.82
Trade payables	11	13,262.06	11,325.29
Other current liabilities	12	159,810.78	92,202.10
Short-term provisions	9	1,415.83	4,114.60
		233,137.66	151,954.81
TOTAL		443,397.01	398,079.55
ASSETS			
Non-current Assets			
Fixed assets :	13		
Tangible assets		10,194.94	15,719.47
Intangible assets:			
- Goodwill on consolidation		16,972.19	17,379.37
- Other Intangible assets		325.15	379.13
Capital work-in-progress		1,232.78	11,032.51
Non-current investments	14	24,888.51	35,292.34
Deferred tax asset (Net)	15	889.36	547.28
Long terms loans and advances	16	35,896.14	23,332.50
Other non-current assets	17	11,308.39	4,724.96
		101,707.46	108,407.56
Current Assets			
Current investments	18	425.99	408.43
Inventories	19	146,552.32	93,934.19
Trade receivables	20	34,333.42	42,923.19
Cash and bank balances	21	9,455.35	8,428.36
Short-term loans and advances	16	132,984.84	121,075.06
Other current assets	17	17,937.63	22,902.76
		341,689.55	289,671.99
TOTAL		443,397.01	398,079.55

The accompanying notes 1 to 44 are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm Registration No. 103523 W

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 30th May, 2012

Mumbai
Date: 30th May, 2012

HUBTOWN

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
INCOME			
Revenue from operations	22	43,490.72	67,704.97
Other income	23	15,558.21	12,271.20
TOTAL		59,048.93	79,976.17
EXPENSES			
Costs of construction / development	24	33,996.78	40,904.84
Changes in inventories of work-in-progress, finished properties and FSI	25	(27,907.44)	(21,241.79)
Employee benefits expense	26	2,859.73	2,632.19
Finance costs	27	33,106.32	27,878.24
Depreciation and amortisation on fixed assets and investment properties	28	1,405.90	1,285.24
Other expenses	29	13,328.47	11,020.70
TOTAL		56,789.76	62,479.42
Profit before extraordinary items and tax		2,259.17	17,496.75
Extraordinary items	30	353.20	—
Profit before tax		1,905.97	17,496.75
Tax expense :			
Current tax		(492.57)	(2,444.53)
Reversal of excess provision for taxation in respect of earlier years		1,713.58	3,826.82
Deferred tax (charge) / credit		341.22	44.86
Profit after tax but before adjustments		3,468.20	18,923.90
Prior period adjustments (Net)	31	(596.39)	(411.80)
Share of Profit / (Loss) from associate companies		259.49	185.38
Minority interest		11.32	(0.22)
Pre-acquisition Gain / (Loss)		(0.09)	(0.06)
Amortisation / adjustment of goodwill		(772.57)	(1,078.72)
Profit for the year		2,369.96	17,618.48
Earnings per equity share of nominal value of ₹ 10/- each)	32		
Earnings before extraordinary item:			
Basic and diluted		3.74	24.22
Earnings after extraordinary item:			
Basic and diluted		3.26	24.22

The accompanying notes 1 to 44 are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

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

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm Registration No. 103523 W

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

Mumbai
Date: 30th May, 2012

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

Mumbai
Date: 30th May, 2012

CHETAN MODY
COMPANY SECRETARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
Cash flows arising from operating activities		
Net Profit before tax as per statement of profit and loss	1,905.97	17,496.75
Add / (Less) :		
Prior Period Adjustments	(604.07)	21.67
Minority Interest	11.32	(0.22)
Pre-acquisition profit / (loss)	(0.09)	(0.06)
Goodwill on acquisition / dillution	—	69.38
Interest and Finance Charges	34,875.92	29,538.91
Provision for doubtful debts	7.53	201.95
Project expenses written off	3,031.18	1,626.68
Depreciation and Amortisation	1,405.90	1,285.24
Loss on Sale / Discardment of Assets	37.11	79.72
Liabilities no longer required	(228.53)	—
Amortization of expenditure incurred on joint venture projects	2,256.36	—
Reversal of floor space index	1,111.36	—
Dividend Income	(1.07)	(24.87)
Profit on Sale of Current Investments	(7.68)	(13.15)
Impact on account of Divestment / Acquisitions	19.49	—
Interest Income	(14,475.22)	(11,752.41)
	27,439.51	21,032.84
Operating Profit Before Working Capital Changes	29,345.48	38,529.59
Add / (Less) :		
(Increase) in Inventories	(34,153.94)	(14,909.15)
(Increase) in Trade and Other Receivables	(7,546.71)	(56,342.92)
Increase in Trade Payables	26,275.10	22,535.89
Direct Taxes Paid	(3,469.73)	(3,374.46)
	(18,895.28)	(52,090.64)
Net cash flow from operating activities	10,450.20	(13,561.05)
Cash flows arising from investing activities		
Inflow / (Outflow) on account of :		
Fixed Assets (Net)	(347.01)	(11,011.05)
Dividend from current investments	1.07	24.87
Interest income	14,528.53	11,752.41
Loans and advances including land, interest and others	—	(9,949.23)
Acquisition / (disposals) of interest in Joint Ventures (net)	(3,077.98)	(1,924.19)
Other long term investments acquired (Net)	10,345.48	(5,062.36)
Current Investments acquired / disposed off (Net)	(28.60)	3,570.21
	21,421.49	(12,599.34)
Net cash flow from investing activities		
Cash flows arising from financing activities		
Inflow / (Outflow) on account of :		
Increase/ (Decrease) in Secured Loans	(2,579.00)	40,209.91
Increase in Unsecured Loans	7,042.21	14,851.74
Interest and Finance Charges paid	(32,205.40)	(31,393.48)
Dividend and Dividend Tax Paid	(2,121.53)	(4,254.87)
	(29,863.72)	19,413.30
Net cash flow from financing activities		
Net Increase in cash and cash equivalents (I + II + III)	2,007.97	(6,747.09)
Add: Balance at the beginning of the year	4,647.71	11,394.80
Cash and cash equivalents at the end of the year	6,655.68	4,647.71
Reconciliation of components of Cash and Cash Equivalents		
Cash and Cash Equivalents (Refer Note 21)	6,445.67	4,647.71
Add/(Less): Impact on account of dillution / acquisiton	210.01	—
Cash and Cash Equivalents at the end of the year	6,655.68	4,647.71

Footnote:

a. Previous year figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

As per our report of even date

For and on behalf of the Board of Directors

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

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm Registration No. 103523 W

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 30th May, 2012

Mumbai
Date: 30th May, 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOTE '1'

PRINCIPLES OF CONSOLIDATION:

- (I) The Consolidated Financial Statements relate to Hubtown Limited ('the Company') and its Subsidiary Companies, Associates and Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis:
- (a) The Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses as per Accounting Standard (AS-21) – Consolidated Financial Statements.
 - (b) Investments in Associates have been accounted under the equity method as per Accounting Standard (AS-23) – Accounting for Investments in Associates in Consolidated Financial Statements.
 - (c) Investments in Joint Ventures have been accounted under the proportionate consolidation method as per Accounting Standard (AS-27) – Financial Reporting of Interests in Joint Ventures.
 - (d) The excess of the Company's portion of equity in the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve. The excess of cost of investment over the Company's portion of equity as at the date of investment is treated as Goodwill. Goodwill arising on consolidation of entities acquired by the group, representing the value of land / rights held by such entities is carried forward. The said Goodwill is proportionately recognised as an expense in the statement of profit and loss in the year in which revenue is recognised, on the basis of area sold in the related entity. Further, such Goodwill is tested for impairment at each balance sheet date.
 - (e) The difference between the proceeds from disposal of investment in a subsidiary / joint venture and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the consolidated statement of Profit and Loss under revenue from operations.
 - (f) Intra-group balances and intra-group transactions and resulting unrealised profits have been eliminated.
 - (g) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except for depreciation method/ rates followed by partnership firms and association of persons (AOP). In case of any differences in accounting treatment of subsidiaries, jointly controlled entities and associates, they are brought in line with the Holding Company's Accounting policies and treatment, if any, for differences, have been duly considered.
 - (h) The Company has investments in ABP Realty Advisors Private Limited (100%), Headland Farming Private Limited (100%), Heedle Knowledge Private Limited (100%), Heeler Hospitality Private Limited (100%), Citygold Education Research Limited (100%), Citygold Farming Private Limited (100%), and India Development and Construction Venture Capital Private Limited (100%) where the shareholdings exceed 50%. These companies though acquired in earlier years are considered for consolidation from current year. Upto previous year such companies were regarded as temporary investments and were, therefore, not considered for consolidation.
- (II) Investments other than in Subsidiaries, Associates and Joint Ventures, have been accounted as per Accounting Standard (AS-13) "Accounting for Investments".
- (III) The list of Subsidiary Companies considered for consolidation, and the Company's holdings therein are as under:

Name of the Subsidiaries	Country of Incorporation	Percentage of Voting Power as at 31st March 2012	Percentage of Voting Power as at 31st March 2011
Akruti Safeguard Systems Private Limited	India	72.43%	72.43%
Halitious Developer Limited (formerly known as Halitious Warehousing Limited)	India	100.00%	100.00%
Akruti Middle East (FZE) (upto May 19, 2010)	UAE	—	100.00%
Adhivitiya Properties Limited	India	100.00%	100.00%
Akruti City Magnum Limited (upto June 30, 2011)	India	100.00%	100.00%
Arnav Gruh Limited	India	100.00%	100.00%
Devkrupa Build Tech Limited	India	90.00%	90.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOTE '1' (Contd.)

Name of the Subsidiaries	Country of Incorporation	Percentage of Voting Power as at 31st March 2012	Percentage of Voting Power as at 31st March 2011
E-Commerce Magnum Solution Limited (Upto September 30, 2010)	India	—	100.00%
Gujarat Akruti - TCG Biotech Limited	India	74.00%	74.00%
Holiac Realty Limited	India	60.00%	60.00%
Jihant Housing Private Limited (upto December 28, 2011)	India	100.00%	100.00%
Merrygold Buildcon Private Limited	India	100.00%	100.00%
Nova Realty Private Limited (upto December 28, 2011)	India	100.00%	100.00%
Pushpak Healthcare Services Private Limited	India	80.00%	80.00%
Sheshan Housing and Area Development Engineers Limited	India	100.00%	100.00%
Sunmist Builders Private Limited (upto December 28, 2011)	India	100.00%	100.00%
Superaction Realty Private Limited (upto December 28, 2011)	India	100.00%	100.00%
Diviniti Projects Private Limited	India	100.00%	100.00%
Upvan Lake Resorts Private Limited	India	75.00%	75.00%
Urvi Build Tech Limited	India	95.00%	95.00%
Heet Builders Private Limited	India	88.10%	88.10%
Vama Housing Limited	India	100.00%	100.00%
Vega Developers Private Limited	India	100.00%	100.00%
Vishal Nirman (India) Limited	India	51.02%	51.02%
Vishal Techno Commerce Limited	India	100.00%	100.00%
Yantti Buildcon Private Limited	India	100.00%	100.00%
Heeler Hospitality Private Limited (w.e.f. F.Y: 2011-2012)	India	100.00%	100.00%
Headland Farming Private Limited (w.e.f. F.Y: 2011-2012)	India	100.00%	100.00%
Citygold Education Research Limited (w.e.f. F.Y: 2011-2012)	India	100.00%	100.00%
Citygold Farming Private Limited (w.e.f. F.Y: 2011-2012)	India	100.00%	100.00%
India Development and Construction Venture Capital Private Limited (w.e.f. F.Y: 2011-2012)	India	100.00%	100.00%
ABP Realty Advisors Private Limited (w.e.f. F.Y: 2011-2012)	India	100.00%	100.00%
Heddle Knowledge Private Limited (w.e.f. F.Y: 2011-2012)	India	100.00%	100.00%

(IV) The significant Associate Companies and Joint Ventures considered in the consolidated financial statements are:

Name of the Associates	Country of Incorporation	Percentage of Voting Power as at 31st March 2012	Percentage of Voting Power as at 31st March 2011
Joynest Premises Private Limited	India	49.60%	39.00%
Leading Work Properties Private Limited (upto April 27, 2011)	India	49.03%	49.03%
Whitebud Developers Limited	India	50.00%	50.00%
Bigcity Developers Private Limited (upto December 28, 2011)	India	50.00%	50.00%
Forefront Realty Private Limited (upto December 28, 2011)	India	26.00%	26.00%
Glamorous Properties Private Limited (upto July 13, 2011)	India	25.00%	25.00%
Harbinger Developers Private Limited	India	50.00%	50.00%
Comral Realty Private Limited	India	30.56%	30.56%
Pristine Developers Private Limited	India	40.00%	40.00%
Citywood Builders Private Limited	India	49.97%	49.97%
Vinca Developer Private Limited	India	49.00%	49.00%
Yellowcity Builders Private Limited	India	43.50%	43.50%
Sunstream City Private Limited	India	43.00%	43.00%
Trans Gulf MEP Engineers Private Limited (w.e.f. F.Y: 2011-2012)	India	30.00%	—
Ackruti City Bus Terminal (Ahmedabad) Private Limited	India	—	50.00%
Ackruti City Bus Terminal (Surat) Private Limited	India	—	50.00%
Buildbyte.Com. (India) Private Limited (upto September 30, 2010)	India	—	50.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOTE '1' (Contd.)

Name of the Associates	Country of Incorporation	Percentage of Voting Power as at 31st March 2012	Percentage of Voting Power as at 31st March 2011
Jointly Controlled Entities :			
Ackruti City Bus Terminal (Adajan) Private Limited	India	50.00%	50.00%
Ackruti City Bus Terminal (Mehsana) Private Limited	India	50.00%	50.00%
Ackruti City Bus Terminal (Vadodara) Private Limited	India	50.00%	50.00%
Ackruti City Bus Terminal (Ahmedabad) Private Limited (Associate in the Previous Year)	India	50.00%	—
Ackruti City Bus Terminal (Surat) Private Limited (Associate in the Previous Year) (*)	India	50.00%	—
Aarti Projects and Constructions	India	27.25%	33.00%
Primeria JV (formerly known as Akruti Forefront JV)	India	75.00%	75.00%
Akruti GM JV	India	77.00%	77.00%
Akruti Jay Chandan JV	India	50.00%	50.00%
Akruti Jay Developers	India	66.66%	66.66%
Akruti Kailash Constructions	India	90.00%	90.00%
Akruti Realty Forefront Combine	India	90.00%	90.00%
Akruti Steelfab Corporation	India	55.00%	55.00%
Hiranandani Akruti JV	India	50.00%	50.00%
Shreenath Realtors	India	46.25%	46.25%
Sole Builders (formerly known as Commercial Construction Corporation)	India	50.00%	50.00%
Akruti SMC JV (#)	India	50.00%	50.00%
Hoary Realty Limited	India	32.14%	32.13%
Gandhi Adhivitiya Combine (#)	India	45.00%	45.00%
Quadron Business Park Limited (formerly known as DLF Ackruti Info Parks (Pune) Limited (upto December 28,2011)	India	33.00%	33.00%
Rare Townships Private Limited	India	40.00%	40.00%
Joyous Housing Limited	India	25.00%	25.00%
Ackruti City Magnum Limited (w.e.f. F.Y: 2011-2012)	India	33.00%	—
Panama JV (#) (w.e.f. F.Y: 2011-2012)	India	87.60%	—
Gulati Estate JV (w.e.f. F.Y: 2011-2012)	India	75.00%	—

(#) Interests through subsidiaries

(*) Interest through jointly controlled entity

NOTE '2'

PRINCIPLES OF CONSOLIDATION:

Significant Accounting Policies and Notes to these consolidated financial statements are intended to serve as a means of informative disclosures and a guide to better understanding the consolidated position of the company. Recognising this purpose, the Company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures.

NOTE '3'

SIGNIFICANT ACCOUNTING POLICIES

I. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention using the accrual basis of accounting in accordance with the accounting principles generally accepted in India and are in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 1956.

II. Use of estimates

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '3' (Contd.)

III. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured.

A. Revenue from sale of properties / rights

- i. Revenue from sale of finished properties / buildings is recognised on transfer of property and once significant risks and rewards of ownership have been transferred to the buyer. Similarly, revenue from sale of Transferable Development Rights (TDR) is recognised on transfer of the rights to the buyer. Revenue recognition is postponed to the extent of significant uncertainty.
- ii. Revenue from sale of incomplete properties / projects is recognised on the basis of percentage of completion method, subject to the actual cost incurred being atleast 25 % of the total estimated project cost involved and receipt of atleast 10% of the total sale consideration of each sold unit. Further, revenue recognised in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Estimated costs relating to construction / development are charged to the statement of profit and loss in proportion with the revenue recognised during the year. The balance costs are carried as part of 'Incomplete Projects' under inventories under current assets. Amounts receivable / payable are reflected as Trade Receivables / Unbilled Receivables or Advances from Customers, respectively, after considering income recognised in the aforesaid manner. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfilment of obligations / conditions imposed on the Company by statutory authorities, is postponed till such obligations are substantially discharged.

Costs of the projects are based on the management's estimate of the cost to be incurred upto the completion of the projects and include cost of land, Floor Space Index (FSI), materials, services and other expenses attributable to the projects. Estimates of project income, as well as project costs, are reviewed periodically. Further, revenue recognition is restricted, in case, where project cost is revised, resulting in decrease of percentage of actual cost incurred to total estimated cost. The effect of changes in cost, if any, is recognised in the financial statements for the period in which such changes are determined.

- iii. The Sale proceeds of the Investments held in the Subsidiaries, Joint Ventures, etc. developing real estate projects are included in real estate revenue, net of cost.
- B. Revenue from 'project management services' are recognised based on the agreements between the Company and the parties to whom services are rendered.

C. Profit / Loss from Partnership Firms / Association of Persons

Share of Profit / Loss from Partnership Firms / Association of Persons (AOP) is accounted in respect of the financial year of the Firm / AOP, ending on or before the Balance Sheet date, on the basis of their audited accounts.

D. Income from Leased Premises

Lease income from operating lease is recognised in the statement of profit and loss on straight line basis over the lease term.

E. Interest and Dividend

Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the shareholders right to receive dividend is established by the Balance Sheet date.

F. Others:

Other Revenue / Income and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.

IV. Tangible assets and depreciation / amortisation

- A. Tangible fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any.
- B. Tangible assets disclosed under 'Non current assets' as 'Investment properties', are stated at cost of acquisition or construction less accumulated depreciation / amortisation and accumulated impairment losses, if any. Attention is also invited to Accounting Policy No. (VI)(C).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOTE '3' (Contd.)

- C. Depreciation is provided on the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. For entities in the nature of partnership firms and association of persons (AOP), depreciation is calculated on written down value method at the rates prescribed under the Income Tax Act, 1961. Depreciation on additions to assets or on sale/disposal of assets is calculated pro-rata from the date of such addition, or upto the date of such sale/disposal, as the case may be.
- D. Cost of Lease hold Land is amortised on a straight line basis, over the primary lease period.
- E. Cost of Mivan System is amortised on a straight line basis, over the life of the project, but not exceeding a period five years.

V. Intangible assets and amortisation

Computer softwares are classified as intangible assets and are stated at cost less accumulated amortisation. These are being amortised over the estimated useful life of five years, as determined by the management.

VI. Inventories

All inventories are stated at Cost or Net Realizable Value, whichever is lower.

- A. 'Stock at Site' is valued at lower of cost and net realisable value. Cost 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 recognised as expenditure for 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 (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 Accounting Standard 19 - 'Leases' and Accounting Standard 13 - 'Investments'.

Inventory value includes costs incurred upto the completion of the project viz. cost of land / rights, value of floor space index (FSI), materials, services and other expenses (including borrowing costs) attributable to the projects. Cost formula used is average cost.

VII. Expenditure incurred on joint venture projects

'Expenditure on joint venture projects' incurred by the Company but which as per the contractual arrangement cannot be transferred to joint venture entities are considered as part of the inventories of related joint venture in the consolidated financial statements. The identification of such expenses and its allocation over various projects are as per the judgement of the management and has been relied upon by the auditors, this being a technical matter. Such expenses classified as inventories are being amortised over a period of five years or the estimated tenure of projects, whichever is shorter, commencing from the year in which the revenue recognition begins in each project. Such accounting treatment is based on a legal opinion obtained by the Company.

VIII. Investments

- A. Investments are classified into Current and Long Term (Non-Current) Investments. Current investments are stated at lower of cost and fair value. Long Term Investments are stated at cost. A provision for diminution is made to recognise decline, other than temporary, in the value of long term investments.
- B. Investments in development projects undertaken by the Company through its joint ventures, etc. are carried as 'Expenditure incurred on joint venture projects' under 'Current Investments'. Attention is also invited to Accounting Policy No. (VII).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '3' (Contd.)

IX Employee Benefits

- A. **Short Term Employee Benefits** are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered;
- B. **Post Employment Benefits**
 - i) Defined contribution plans: The Company's contribution to State governed Provident Fund Scheme is recognised during the year in which the related service is rendered;
 - ii) Defined benefit plans: The present value of the gratuity obligation is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the statement of profit and loss. In the case of gratuity which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis;
- C. **Other long-term benefits** (leave entitlement) are recognised in a manner similar to defined benefit plans;
- D. **Termination Benefits** are recognised as an expense in the statement of profit and loss for the year in which they are incurred.
- E. Actuarial gains / losses are taken to the statement of profit and loss during the relevant period.

X. Borrowing Costs

Interests and other borrowing costs (including ancillary borrowing costs) attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Ancillary borrowing costs (including front-end fees, processing fees, etc. due to which rate of borrowings get reduced) are amortised over the period of the related borrowing, but not exceeding a period of three years. Other borrowing costs are charged to the statement of profit and loss.

XI. Foreign Currency Transactions

- A. All transactions in foreign currency are recorded in the reporting currency, at the rates of exchange prevailing on the dates the relevant transactions take place.
- B. Monetary Assets and Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.
- C. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rates prevalent on the date of the transaction.

XII. Segment Reporting

The Company along with its group companies is engaged in the business of Real Estate Development, which as per Accounting Standards AS-17-'Segment Reporting' is considered to be the only reportable business segment. The Company is also operating within the same geographical segment. Hence, disclosures under AS-17 are not applicable.

XIII. Taxation

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realisation.

Excess / short provision for taxation are recognised on completion of necessary taxation proceedings (viz. revised returns, assessments, etc.)

In case, the Company is liable to pay income tax under Section 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognised as an asset (MAT Credit Entitlement) only if there is convincing evidence for realisation of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '3' (Contd.)

XIV. Impairment of assets

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favourable change in the estimate of the recoverable amount.

XV. Provisions, contingent liabilities and contingent assets

Provisions involving a substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTE '4' SHARE CAPITAL AUTHORISED

125,000,000 Equity Shares of ₹ 10/- each (PY. 125,000,000)

ISSUED, SUBSCRIBED AND PAID UP

72,735,871 Equity Shares of ₹ 10/- each fully paid up (PY. 72,735,871)

Total

31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
12,500.00	12,500.00
12,500.00	12,500.00
7,273.59	7,273.59
7,273.59	7,273.59

Footnotes:

a. Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year:

Number of shares at the beginning of the year

Add/(Less) :

Issued during the year

Buyback during the year

Conversion during the year

At the end of the year (Nos)

Total

31 March, 2012 (Nos.)	31 March, 2011 (Nos.)
72,735,871	72,735,871
—	—
—	—
—	—
72,735,871	72,735,871

b. Equity shareholders holding more than five percent shares in the Company:

	31 March, 2012		31 March, 2011	
	Nos	% of Holding	Nos	% of Holding
Hemant M. Shah	5,800,000	7.97%	5,800,000	7.97%
Vyomesh M. Shah	7,540,000	10.37%	7,540,000	10.37%
Mahipatray V. Shah (HUF)	9,600,000	13.20%	9,600,000	13.20%
Hemant M. Shah (HUF)	6,892,000	9.48%	6,892,000	9.48%
Vyomesh M. Shah (HUF)	4,100,000	5.64%	4,100,000	5.64%
Kunjali H. Shah	5,308,000	7.30%	5,308,000	7.30%
Falguni V. Shah	6,360,000	8.74%	6,360,000	8.74%
Others	27,135,871	37.30%	27,135,871	37.30%
Total	72,735,871	100.00%	72,735,871	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '4' (Contd.)

c. Terms / rights attached to Equity Shares :

The Company has single class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting. 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.

d. Shares allotted as fully paid up by way of bonus shares (during five years immediately preceding 31st March, 2012):

12,000,000 Equity Shares have been allotted as fully paid-up bonus shares, by way of capitalisation of General Reserves and Surplus in the statement of profit and loss for the financial year 2006-2007.

NOTE '5'

RESERVES AND SURPLUS

Securities premium reserve

Balance as per last Balance Sheet

Add / (Less) :

Amount received during the year

Amount on account of entities acquired during the year

Debenture redemption reserve

Balance as per last Balance Sheet.

Add / (Less) :

Amount transferred from surplus balance in the Statement of Profit and Loss

Amount transferred to general reserve

General reserve

Balance as per last Balance Sheet

Add / (Less) :

Amount transferred from debenture redemption reserve

Amount transferred from surplus balance in the Statement of Profit and Loss

Capital reserve

Balance as per last Balance Sheet.

Add / (Less) :

Amount adjusted on dilution of subsidiaries

Amount on consolidation of subsidiaries

Surplus in Statement of Profit and Loss

Balance as per last Balance Sheet

Profit for the year (including share in joint venture)

Less: Appropriations:

Proposed equity dividend

Tax on proposed equity dividend

Transfer to debenture redemption reserve

Transfer to general reserve

Total appropriations

Net surplus in the Statement of Profit and Loss

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
	60,795.92	60,795.92
	—	—
	5,326.75	—
	66,122.67	60,795.92
	7,475.00	2,500.00
	4,450.00	7,475.00
	—	(2,500.00)
	11,925.00	7,475.00
	19,521.21	15,131.21
	—	2,500.00
	—	1,890.00
	19,521.21	19,521.21
	113.50	113.50
	(0.41)	—
	531.50	—
	644.59	113.50
	65,610.97	59,477.90
	2,369.96	17,618.48
	67,980.93	77,096.38
	727.36	1,818.40
	118.00	302.01
	4,450.00	7,475.00
	—	1,890.00
	5,295.36	11,485.41
	62,685.57	65,610.97
Total	160,899.04	153,516.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '6' LONG-TERM BORROWINGS	Non Current		Current Maturities	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Debentures (Secured);				
7,500 (P.Y. Nil), Redeemable debentures of the face value of ₹ 100,000 each. (Refer footnote a)	6,300.00	—	1,200.00	—
10,000 (P.Y. 10,000), Redeemable debentures of the face value of ₹ 100,000 each. (Refer footnote b)	—	10,000.00	10,000.00	—
1,000 (P.Y. 1,000), Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each. (Refer footnote c)	—	7,000.00	7,000.00	1,250.00
Term Loans (Secured);				
From banks (Refer footnote d)	25,374.76	43,792.11	50,380.79	43,945.70
From financial institutions (Refer footnote e)	1,650.00	5,312.50	14,342.19	8,974.00
Deposits (Unsecured): (Refer footnote f)				
From related parties (Refer Note 33)	2,015.76	—	—	—
From public	253.40	380.33	49.43	368.50
Other loans and advances:				
Loan from others (Secured)(Refer footnote g)	61.32	137.10	2,075.78	69.46
Loan from others (Unsecured) (Refer footnote h)	191.57	1,718.22	2,073.40	2,300.63
	35,846.81	68,340.26	87,121.59	56,908.29
Share in Joint Ventures	3,037.56	14,310.96	364.87	2.88
Amount disclosed under "Other Current Liabilities" (Refer Note '12')	—	—	(87,486.46)	(56,911.17)
Total	38,884.37	82,651.22	—	—

Footnotes:

- 18.50 % Debentures of ₹ 7,500 lacs are redeemable in twenty five equal monthly installments commencing from December, 2012. These debentures are secured by mortgage on the immovable properties located at Jogeshwari (East), Mumbai as well as receivables and advances arising from such properties, and personal guarantees of the promoters.
- 17 % Debentures of ₹ 7,000 lacs are redeemable at par by the end of June, 2012. These debentures are secured by mortgage / charge on the immovable properties located at Jogeshwari (East), Mumbai and by pledge of equity shares held by promoters and their family members in the Company. (Prepaid ₹ 1,250 lacs during the previous year).
- 12 % Debentures of ₹ 10,000 lacs are redeemable at premium in March, 2013. These debentures are secured by second ranking mortgage over project land and structures thereto at J.P. Road, Andheri (West), Mumbai, as well as receivables and advances arising from such project and further secured by exclusive charge over land situated at village Mogra, Andheri (East), Mumbai.
- Secured term loans from banks carry interest rates within a range of 12% to 18 %. ₹ 50,380.79 lacs will become due in March 2013, ₹ 12,198.76 lacs will become due in March 2014 and the balance of ₹ 13,176.00 lacs will become due in eight equal quarterly installments of ₹ 1362.00 lacs and sixty equal quarterly installments of ₹ 38 lacs commencing from June, 2014. The nature of securities are:

Name of Lenders	Security Offered (Further secured by personal guarantee of one or more Promoters)
1. Punjab National Bank	i. Mortgage over projects at a) Bandra b) Worli c) Jogeshwari and d) Mira Road, all in Mumbai. ii. First charge by way of escrow of receivables from above projects.
2. Central Bank of India	i. First charge over project land structures at Andheri (West), Mumbai.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '6' (Contd.)

Name of Lenders	Security offered (Further secured by personal guarantee of one or more Promoters)
3. ICICI Bank Limited	i. Pari passu charge on land and structures at projects located in Andheri (East), Mumbai. ii. Charge by way of escrow of receivables from the above projects.
4. UCO Bank	i. Mortgage of land and structures thereto in respect of projects at Majiwade, Thane and in respect of project at Telekar Road, Pune. ii. Mortgage of residential sale buildings and property rights at Bandra (East), Mumbai.
5. Dena Bank	i. Mortgage of unsold area of project at Andheri (East), Mumbai. ii. Charge by way of escrow of receivables from the above project.
6. IndusInd Bank	i. Mortgage of the premises at Unit No. 1001 on 10 th floor of the project located at Andheri (East), Mumbai.
e.	Secured loans from financial institutions carry interest rate within a range of 15 % to 18 %. ₹ 14,342.19 lacs will be repaid by March 2013 in eight equal installments, ₹ 1,500 lacs will be repaid by March 2014 in three equal installments and the balance of ₹ 150 lacs will be repaid in April, 2014. These loans are secured against pledge of equity shares in the Company held by the promoters and their family members and personal guarantee of one or more promoters.
f.	Unsecured long term public deposits carry interest rates within a range of 10.50% to 11.00%. The same will become repayable between a period of 1-3 years.
g.	Secured loans from others carry interest rates within a range of 15% to 20%. The same will be repaid in twenty one equal installments by January, 2014. ₹ 2,075.78 lacs will be repaid by March, 2013 and ₹ 61.32 lacs will be repaid by January, 2014. These Loans are secured against pledge of equity shares in the Company held by the promoters and their family members.
h.	Unsecured loans from others carry interest rates within a range of 10% to 21% and will become due in thirteen equal monthly installments including interest from the balance sheet date.

NOTE '7'

LONG TERM TRADE PAYABLES

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Trade payables	1,948.12	859.97
Share in Joint Ventures	119.62	7.72
Total	2,067.74	867.69

NOTE '8'

OTHER LONG TERM LIABILITIES

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Others:		
Advances from customers	10.00	—
Deposits from customers	193.23	86.08
Share in Joint Ventures	203.23	86.08
Total	618.73	1,308.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '9' PROVISIONS	Long term		Short term	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Provisions for employee benefits				
Provision for gratuity (Net of Plan asset gratuity of ₹ 179.17 lacs; P.Y. ₹ 160.07 lac)	2.37	—	81.50	39.81
Provision for leave benefits	—	—	59.40	—
Other provisions				
Provision for Income tax	14.81	—	271.01	1,342.59
Provision for Wealth tax	—	—	10.34	2.66
Proposed equity dividend	—	—	727.36	1,818.40
Provision for tax on equity dividend	—	—	118.00	302.01
	17.18	—	1,267.61	3,505.47
Share in Joint Ventures	3.05	0.02	148.22	609.13
Total	20.23	0.02	1,415.83	4,114.60
			31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '10' SHORT TERM BORROWINGS				
Working capital loan from banks (Secured) (Refer footnote a)			12,391.18	11,491.85
Loans repayable on demand:				
from companies (Secured) (Refer footnote b)			—	2,250.00
from companies (Unsecured) (Refer footnote c)			17,471.17	12,712.22
from others (Unsecured) (Refer footnote c)			10,426.07	3.05
Deposits (Unsecured) (Refer footnote d)				
from companies (ICDs)			13.50	—
from shareholders			—	50.00
from public			302.00	335.50
Loans and advances from related parties (Refer footnote e)			602.44	2,889.86
			41,206.36	29,732.48
Share in Joint Ventures			17,442.63	14,580.34
Total			58,648.99	44,312.82

Footnotes:

a. Working capital loans from banks carry interest rates within a range of 12.75% to 16 % and are secured against the following:

Name of Lenders	Security offered
1. Canara Bank	Mortgage of Unit No. 301 at 3rd floor of the premises at MIDC Andheri (East), Mumbai and further secured by personal guarantee of one or more promoters.
2. Union Bank of India	Secured against fixed deposits with banks.
3. IDBI Bank	Secured against fixed deposits with banks.

b. Secured loan from a company carried interest rate of 19.5% and was repayable on demand. This Loan was secured against pledge of equity shares in the Company held by the promoters and their family members.

c. Unsecured loans from companies and others carry interest rates within a range of 15% to 21% and are repayable on demand.

d. Unsecured short term public deposits carry interest rate of 10%. The same will become due as per the respective maturity dates.

e. Unsecured loans taken from related parties carry interest rate of 18% and are repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '11'		
TRADE PAYABLES		
Trade payables	11,304.47	10,034.71
Share in Joint Ventures	1,957.59	1,290.58
Total	13,262.06	11,325.29
NOTE '12'		
OTHER CURRENT LIABILITIES		
Other current liabilities		
Current maturities of long-term debts (Refer Note 6)	87,121.59	56,908.29
Interest accrued and due on borrowings	1,785.28	344.14
Interest accrued but not due on borrowings	1,931.03	838.99
Overdrawn bank balances as per books of account	604.31	434.46
Advances from customers	28,737.48	11,748.12
Advances received against share application money	248.65	205.90
Investor Education and Protection Fund will be credited by the following amounts (as and when due):		
Unclaimed/unpaid dividends	3.93	2.81
Other payables :		
Statutory dues	2,959.46	1,723.18
Employees benefits payable	518.30	500.71
On account of Equity Shares with differential voting rights and Preference Shares of jointly controlled entities	9,335.50	4,537.35
Others miscellaneous	5,868.49	1,622.15
	139,114.02	78,866.10
Share in Joint Ventures	20,696.76	13,336.00
Total	159,810.78	92,202.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOTE '13' FIXED ASSETS

(₹ in lacs)

SR. NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31 March, 2011	Additions / Adjustments during the year	Deductions / Adjustments	Upto 31 March, 2012	As at 31 March, 2011	Provided during the year	Deductions / Adjustments	Upto 31 March, 2012	As at 31 March, 2012	As at 31 March, 2011
A	Tangible Assets										
	Freehold land	2.92	—	—	2.92	—	—	—	—	2.92	2.92
	Leasehold land	3,041.20	—	—	3,041.20	21.36	25.60	—	46.96	2,994.24	3,019.84
	Commercial premises	1,133.14	805.61	39.72	1,899.03	63.76	77.92	14.07	127.61	1,771.42	1,069.38
	Mivan system	419.67	—	—	419.67	221.36	69.81	—	291.17	128.50	198.31
	Computers & laptops (Refer footnote a)	268.41	136.50	362.96	41.95	166.56	31.01	166.28	31.29	10.66	101.85
	Furniture & fixtures (Refer footnote b)	546.14	822.84	817.07	551.91	209.48	106.96	112.88	203.56	348.35	336.66
	Plant & machinery	100.03	0.47	81.89	18.61	49.50	5.54	45.68	9.36	9.25	50.53
	Vehicles (Refer footnote c)	851.92	45.22	33.53	863.61	261.19	160.09	4.63	416.65	446.96	590.73
	Office equipment (Refer footnote d)	149.65	131.30	162.68	118.27	44.83	16.94	35.40	26.37	91.90	104.82
		6,513.08	1,941.94	1,497.85	6,957.17	1,038.04	493.87	378.94	1,152.97	5,804.20	5,475.04
	Share in Joint Ventures						629.70			4,390.74	10,244.43
	A	6,513.08	1,941.94	1,497.85	6,957.17	1,038.04	1,123.57	378.94	1,152.97	10,194.94	15,719.47
B	Intangible Assets										
	Computer software	466.86	53.46	—	520.32	167.29	94.06	(0.25)	261.60	258.72	299.57
	Technical knowhow	74.55	—	—	74.55	18.70	3.64	—	22.34	52.21	55.85
		541.41	53.46	—	594.87	185.99	97.70	(0.25)	283.94	310.93	355.42
	Share in Joint Ventures						9.48			14.22	23.71
	B	541.41	53.46	—	594.87	185.99	107.18	(0.25)	283.94	325.15	379.13
C	Capital Work in Progress										
	Capital Work in Progress	2,497.88	286.52	1,555.87	1,228.53					1,228.53	2,497.88
	Share in Joint Ventures	8,534.63	—	8,530.38	4.25					4.25	8,534.63
	C	11,032.51	286.52	10,086.25	1,232.78					1,232.78	11,032.51
	(A+B+C)	18,087.00	2,281.92	11,584.10	8,784.82	1,224.03	1,230.75	378.69	1,436.91	11,752.87	27,131.11

Foot Notes:

- Computers includes ₹ 41.12 lacs on account of acquisition / consolidation of new subsidiaries.
- Furniture & Fixtures includes ₹ 179.78 lacs on account of acquisition / consolidation of new subsidiaries.
- Vehicles includes ₹ 36.45 lacs on account of acquisition / consolidation of new subsidiaries.
- Office Equipment includes ₹ 28.96 lacs on account of acquisition / consolidation of new subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '14'

NON CURRENT INVESTMENTS (Unquoted)

(Trade, unless otherwise specified)

A) Investment property (At cost less accumulated depreciation / amortisation)

Cost of land and building held for lease and capital appreciation
(Refer footnote a)

Less: Accumulated depreciation / amortisation

Share in Joint Ventures

B) Investment in equity instruments (At cost)

I) Subsidiary Companies (Fully paid Equity Shares)

a) Current Year : Nil (PY. 50,000) Equity Shares of ₹ 10/- each
Ackruti Campus of Research and Education Private Limited

b) Current Year : Nil (PY. 10,000) Equity Shares of ₹ 10/- each (Refer note 1(l)(h))
Headland Farming Private Limited

c) Current Year : Nil (PY. 10,000) Equity Shares of ₹ 10/- each (Refer note 1(l)(h))
Hedde Knowledge Private Limited

d) Current Year : Nil (PY. 50,000) Equity Shares of ₹ 10/- each (Refer note 1(l)(h))
ABP Realty Advisors Private Limited

e) Current Year : Nil (PY. 50,000) Equity Shares of ₹ 10/- each (Refer note 1(l)(h))
India Development and Construction Venture Capital Private Limited

f) Current Year : Nil (PY. 10,000) Equity Shares of ₹ 10/- each (Refer note 1(l)(h))
Heeler Hospitality Private Limited

g) Current Year : Nil (PY. 50,000) Equity Shares of ₹ 10/- each (Refer note 1(l)(h))
Citygold Education Research Limited

h) Current Year : Nil (PY. 10,000) Equity Shares of ₹ 10/- each (Refer note 1(l)(h))
Citygold Farming Private Limited

i) Current Year : Nil (PY. 50,000) Equity Shares of ₹ 10/- each
Harmony Erectors Private Limited

II Associate Companies

a) 8,000 Equity Shares of ₹ 10/- each (PY. 8,000)

Pristine Developers Private Limited

Share of Accumulated Reserves / Profit / (Loss)

Share of Current Profit / (Loss)

b) Current Year : Nil (PY. 13,630) Equity Shares of ₹ 10/- each

Leading Work Properties Private Limited

Share of Accumulated Reserves / Profit / (Loss)

Share of Current Profit / (Loss)

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
	4,757.77	4,757.77
	445.80	271.05
	4,311.97	4,486.72
	1,463.90	1,596.44
	5,775.87	6,083.16
	—	5.00
	—	1.00
	—	1.00
	—	5.00
	—	5.00
	—	1.00
	—	1.00
	—	5.00
	—	29.00
	0.80	0.80
	540.78	337.32
	340.48	203.46
	882.06	541.58
	—	1.36
	—	(0.12)
	—	—
	—	1.24
	882.06	542.82

c/f

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '14' (Contd.)

NON CURRENT INVESTMENTS (Unquoted)

II Associate Companies

- c) 129,000 Equity Shares of ₹ 10/- each (PY. 129,000)
Sunstream City Private Limited
 Share of Accumulated Reserves / Profit / (Loss)
 Share of Current Profit / (Loss)
 (Includes Goodwill ₹ 1.48 lacs)

- d) Current Year : Nil (PY 312,500) Equity Shares of ₹ 10/- each
Glamorous Properties Private Limited
 Share of Accumulated Reserves / Profit / (Loss)
 Share of Current Profit / (Loss)
 Transfer on dilution of holding
 (Includes Goodwill ₹ 300.24 lacs)

- e) Current Year : Jointly controlled entity (PY. 25,000) Equity Shares of ₹ 10/- each
Ackruti City Bus Terminal (Surat) Private Limited
 Share of Accumulated Reserves / Profit / (Loss)
 Share of Current Profit / (Loss)
 (Includes Goodwill ₹ 0.34 lacs)

- f) 5,000 Equity Shares of ₹ 10/- each (PY. 5,000)
Harbinger Developers Private Limited
 Share of Accumulated Reserves/Profit/(Loss)
 Share of Current Profit / (Loss)

- g) 25,000 Equity Shares of ₹ 10/- each (PY. 25,000)
Whitebud Developers Limited
 Share of Accumulated Reserves / Profit / (Loss)
 Share of Current Profit / (Loss)

- h) 4,350 Equity Shares of ₹ 10 /- each (P.Y. 4,350)
Yellowcity Builders Private Limited
 Share of Accumulated Reserves / Profit / (Loss)
 Share of Current Profit / (Loss)

- i) 6,095 Equity Shares of ₹ 10 /- each (P.Y. 6,095)
Vinca Developer Private Limited
 Share of Accumulated Reserves / Profit / (Loss)
 Share of Current Profit / (Loss)
 (Includes Goodwill ₹ 159.92 lacs)

- j) Current Year : Nil (PY. 2,600) Equity Shares of ₹ 10/- each
Forefront Realty Private Limited
 Share of Accumulated Reserves / Profit / (Loss)
 Share of Current Profit / (Loss)

- k) 275,000 Equity Shares of ₹ 10 /- each (P.Y. 275,000)
Comral Realty Private Limited
 Share of Accumulated Reserves / Profit / (Loss)
 Share of Current Profit / (Loss)

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
b/f	882.06	542.82
	12.90	12.90
	(1.17)	8.66
	(11.73)	(9.83)
	—	11.73
	300.00	300.00
	(2.15)	(1.85)
	(1.48)	(0.30)
	(296.37)	—
	—	297.85
	—	2.50
	—	(0.38)
	—	(0.22)
	—	1.90
	0.50	0.50
	—	—
	—	—
	0.50	0.50
	2.50	2.50
	(2.50)	(2.50)
	—	—
	—	—
	0.44	0.44
	1.31	0.26
	0.47	1.05
	2.22	1.75
	0.61	0.61
	(0.61)	(0.61)
	—	—
	—	—
	—	0.26
	—	(0.02)
	—	(0.24)
	—	—
	27.71	27.71
	(2.77)	—
	(0.78)	(2.77)
	24.16	24.94
c/f	908.94	881.49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '14' (Contd.)

NON CURRENT INVESTMENTS (Unquoted)

	b/f	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
II Associate Companies		908.94	881.49
l) 4,997 Equity Shares of ₹ 10/- each (P.Y. 4,997) Citywood Builders Private Limited		0.50	0.50
Share of Accumulated Reserves / Profit / (Loss)		64.44	64.44
Share of Current Profit / (Loss)		(64.94)	—
		—	64.94
m) 9,799,584 (Class 'A') Equity Shares of ₹ 10 /- each (P.Y. 7,862,595) Joynest Premises Private Limited		1,076.46	787.50
Share of Accumulated Reserves/Profit / (Loss)		(5.05)	—
Share of Current Profit / (Loss)		(2.38)	(5.05)
(Includes Goodwill ₹ 98.01 lacs)		1,069.03	782.45
n) Current Year : Nil (P.Y. 5,000) Equity Shares of ₹ 10/- each Bigcity Developers Private Limited		0.50	0.50
Share of Accumulated Reserves / Profit / (Loss)		(0.09)	—
Share of Current Profit / (Loss)		(0.10)	(0.09)
Transfer on dilution of holding		(0.31)	—
		—	0.41
o) 3,000 Equity Shares of ₹ 10/- each (P.Y. Nil) Trans Gulf MEP Engineers Private Limited		0.30	—
Share of Current Profit / (Loss)		(0.04)	—
		0.26	—
		1,978.23	1,729.29
III Others			
a) 593,770 Equity Shares of ₹ 10/- each (P.Y.593,770) Citygold Investments Private Limited		59.38	59.38
b) 240 Equity Shares of ₹ 100/- each (P.Y. 240) Citygold Management Services Private Limited		0.24	0.24
c) 37,815 Equity Shares of ₹ 10/- each (P.Y. 37,815) Janakalyan Sahakari Bank Limited		3.78	3.78
d) 3616 Class 'A' Equity Shares of ₹ 500/-each (P.Y. 3,616) Dharni Properties Private Limited		3.83	3.83
e) 6,000 Class 'B' Equity Shares of ₹ 50/- each (P.Y. 6,000) Hogmanay Niharika Buildings Limited		3.00	3.00
f) 25 Equity Shares of ₹ 29/- each (P.Y. 25) Shamrao Vitthal Co-operative Bank Limited		0.04	0.04
g) 2 Equity Shares of ₹ 10/- each (P.Y. 4) Hoary Realty Limited		1.12	3.14
h) 7,353 (Class 'B') Equity Shares of ₹ 10 each (P.Y. Nil) Giraffe Developers Private Limited		5,000.04	—
i) 79061 (Class 'B') Equity Shares of ₹ 10 each (P.Y. Nil) Joynest Premises Private Limited		11.79	—
j) 2,000 Equity Shares of ₹ 10/- each (P.Y. 2,000) Suraksha Realty Limited		0.20	0.20
k) Current Year : Nil (P.Y 1,882,353) Equity Shares of ₹ 10/- each City Corporation Limited		—	10,000.00
l) 49,900 Equity Shares of ₹ 10/- each (P.Y. 49,900) Mahanagar Co-op Bank Limited		4.99	4.99
		5,088.41	10,078.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '14' (Contd.)

NON CURRENT INVESTMENTS (Unquoted)

C) Investment in Debentures (At Cost)

- a) 135,000 Optionally convertible debentures of ₹ 1,000/- each
(P.Y. 160,000)

Pivotal Infrastructure Private Limited

1,350.00

1,600.00

- b) 31,910,000 18% Optionally convertible debentures of ₹ 10/- each
(P.Y. 31,910,000)

Asmeeta Infratech Private Limited

3,191.00

3,191.00

- c) 150,000 Optionally convertible debentures of ₹ 5,000/- each
(P.Y.250,000)

Giraffe Developers Private Limited

7,500.00

12,500.00

12,041.00

17,291.00

D) Investment in Mutual Funds (At cost) (Other than Trade)

Growth Option:

Current Year: Nil (P.Y. 404.755 units of ₹ 2,470.63 of UTI Treasury

Advantage Fund (NAV: ₹ Nil (P.Y. ₹ 1,005,490 per unit))

—

10.00

E) Investment in non-controlling Joint Venture

5.00

—

(A+B+C+D+E)

24,888.51

35,221.05

Share in Joint Ventures

—

71.29

Total

24,888.51

35,292.34

Footnote:

- a. Investment property with a carrying value of ₹ 87.53 lacs (P.Y ₹ 92.11 lacs) is subject to a first charge against the Company's working capital loans.

- b. The face value of investment in debentures of ₹ 7,500.00 lacs (P.Y. ₹ 12,500.00 lacs) represents the balance value of consideration of sale of development rights in earlier years receivable in future. The management is of the view that as the consideration was inclusive of profit and interest, no coupon was charged on such debentures.

NOTE '15'

DEFERRED TAX ASSET (NET)

Deferred Tax Liability

Fixed Assets : impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting

(6.11)

—

Others

—

(8.02)

Gross deferred tax liability

(6.11)

(8.02)

Deferred Tax Asset

Fixed Assets : impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting

264.20

53.72

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

171.08

416.28

Others

460.19

85.30

Gross deferred tax asset

895.47

555.30

Deferred Tax Asset (Net)

Total

889.36

547.28

Footnote:

- a. Previous year figures does not include Deferred Tax Asset (Net) ₹ 0.86 lacs relating to entities acquired during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	Non Current		Current	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '16'				
LOANS AND ADVANCES				
Advances to Land Owners				
Unsecured, considered good	15,469.39	8,048.66	11,692.39	10,059.20
Doubtful	641.03	602.00	—	—
Less: Provision for doubtful advances	(641.03)	(602.00)	—	—
	15,469.39	8,048.66	11,692.39	10,059.20
Security Deposits				
Unsecured, considered good	1,108.32	1,346.15	5.08	212.96
Loans and Advances (Unsecured, considered good)				
- to related parties	—	—	72,285.31	72,235.46
- to others	600.00	—	18,609.60	17,687.58
Doubtful	—	—	135.76	167.26
Less: Provision for doubtful advances	—	—	(135.76)	(167.26)
	600.00	—	90,894.91	89,923.04
Advances recoverable in cash or kind (Unsecured, considered good)				
- to related parties	5,215.99	3,964.90	1,094.99	10,603.77
- to others	397.44	2,923.70	6,244.79	1,950.76
Doubtful	641.58	291.58	—	—
Less: Provision for doubtful advances	(641.58)	(291.58)	—	—
	5,613.43	6,888.60	7,339.78	12,554.53
Other loans and advances:				
Advances towards Share Application / Purchase of Shares in entities for interest in projects and others				
- to related parties	662.95	472.12	959.83	—
- to others	842.65	6,381.89	7,051.34	—
Advance Income Tax	—	—	5,744.57	2,170.47
Prepaid Expenses	—	32.79	325.95	424.23
Loans to Employees	—	—	2.51	0.67
Balances with Statutory / Government Authorities	—	—	0.01	—
	1,505.60	6,886.80	14,084.21	2,595.37
	24,296.74	23,170.21	124,016.37	115,345.10
Share in Joint Ventures	11,599.40	162.29	8,968.47	5,729.96
Total	35,896.14	23,332.50	132,984.84	121,075.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	Non Current		Current	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '17'				
OTHER ASSETS				
Non current Bank Balance (Refer Note 21)	1,848.69	1,418.57	—	—
Unbilled Revenue	—	—	15,690.85	21,116.57
Unamortised ancillary cost of arranging the borrowings	741.88	793.64	1,096.90	1,428.18
Other Receivables (Other than Trade)	7,000.00	—	568.60	50.75
Others :				
- Interest accrued on fixed deposits	51.88	91.43	92.95	144.58
- Interest accrued on investments	—	—	83.18	45.32
	9,642.45	2,303.64	17,532.48	22,785.40
Share in Joint Ventures	1,665.94	2,421.32	405.15	117.36
Total	11,308.39	4,724.96	17,937.63	22,902.76

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '18'		
CURRENT INVESTMENTS (Unquoted)		
(Trade, unless otherwise specified)		
Expenditure incurred on joint venture projects	421.19	403.93
Investment in Mutual Funds (At cost) (Other than Trade)		
Dividend Option:		
State Bank of India Fund 17.9948 Units (P.Y. Nil) of ₹ 1675.03 each	0.30	—
Share of Non controlling interest in Joint Ventures	4.50	4.50
Total	425.99	408.43

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
NOTE '19'		
INVENTORIES		
(Valued at lower of cost and net realisable value)		
Stock of materials at site	159.65	301.51
Floor Space Index (FSI)	675.98	1,340.42
Incomplete Projects	98,327.50	64,385.52
Finished Properties	—	1,043.22
	99,163.13	67,070.67
Share in Joint Ventures	47,389.19	26,863.52
(Includes ₹ 4,428.49 lacs expenditure incurred on joint venture projects; (P.Y. ₹ 6,100.53 lacs)		
Total	146,552.32	93,934.19

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '20'

TRADE RECEIVABLES

Trade receivables (Unsecured Considered Good) (Refer footnote a)

Outstanding for a period exceeding six months

Other receivables

Share in Joint Ventures

Total

31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
3,361.39	6,220.93
11,331.10	9,312.19
14,692.49	15,533.12
19,640.93	27,390.07
34,333.42	42,923.19

Footnote:

- a. Trade receivables include ₹ 1,864.53 lacs (P.Y. ₹ 5,180.68 lacs) due from a customer who had during an earlier year requested the Company to extend the credit period originally granted in the sale agreement. The party has affirmed to remain committed to the consideration originally agreed to and has, during the current year, discharged a part of the total outstanding debt. This party had earlier requested the management for further extension upto 31st August, 2012 for payment of its dues. Relying on the confirmation received from such party, the Company, is of the opinion that the amount would be fully recoverable as supported by certification and other documentary evidences.

NOTE '21'

CASH AND BANK BALANCES

Cash and Cash Equivalents:

Cash on hand

Balances with banks:

Current accounts

Deposits with maturity of less than three months

Unpaid dividend accounts

Share in Joint Ventures

Other Bank Balances:

Deposits with maturity of more than three months but less than twelve months

Deposits with maturity of more than twelve months

Margin Money Deposits (Refer footnote a)

Share in Joint Ventures

Amount disclosed under "Other Non-Current Assets" (Refer Note 17)

Total

	Non Current		Current	
	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
			37.96	21.96
			2,124.16	1,824.10
			1,415.65	771.62
			4.57	3.40
			3,582.34	2,621.08
			2,863.33	2,026.63
			6,445.67	4,647.71
	—	—	217.33	56.42
	0.12	662.75	—	0.11
	1,848.57	755.82	659.03	3,322.60
	1,848.69	1,418.57	876.36	3,379.13
	1,621.93	1,314.16	2,133.32	401.52
	3,470.62	2,732.73	3,009.68	3,780.65
	(3,470.62)	(2,732.73)		
	—	—	9,455.35	8,428.36

Footnote:

- a. Balances with banks in Margin Money Deposits include ₹ 2259.32 Lacs (P.Y: ₹ 3034.31 Lacs) held as a security for guarantees and other facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '22'

REVENUE FROM OPERATIONS

Sale of Properties / Rights in projects (Net)
Project management services
Share of Profit from non-controlling Joint Venture
Sale of Materials
Lease Rentals

Share in Joint Ventures

Total

31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
28,507.59	40,435.39
2,213.32	149.55
1.43	—
1,958.45	—
148.73	61.43
32,829.52	40,646.37
10,661.20	27,058.60
43,490.72	67,704.97

NOTE '23'

OTHER INCOME

Dividend from Current Investments

Interest:

- Loans
- Bank Fixed Deposits
- Others

Surplus on sale of investments
Gain on foreign currency fluctuation (Net)
Liabilities written back to the extent no longer required
Miscellaneous Income

Share in Joint Ventures

Total

1.07	24.87
13,493.19	10,786.27
219.96	425.99
762.07	540.15
14,475.22	11,752.41
7.68	13.15
0.26	4.33
228.53	—
366.10	120.20
15,078.86	11,914.96
479.35	356.24
15,558.21	12,271.20

NOTE '24'

COSTS OF CONSTRUCTION / DEVELOPMENT

Construction costs incurred during the year

Add / (Less):

- Transferred to fixed assets during the year
- Transferred from capital work-in-progress during the year

Share in Joint Ventures

Total

18,898.63	31,009.00
—	(38.03)
1,050.83	—
19,949.46	30,970.97
14,047.32	9,933.87
33,996.78	40,904.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '25'

CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI

Opening Inventory :

Floor Space Index (FSI)
Incomplete Projects
Finished Properties

Add / (Less) :

Project expenses written off
Reduction in inventory on account of dilution in subsidiary
Reversal of floor space index
Transferred to tangible fixed assets
Addition to inventory on consolidation of subsidiaries

Closing Inventory :

Floor Space Index (FSI)
Incomplete Projects
Finished Properties

Share in Joint Ventures

Total

NOTE '26'

EMPLOYEE BENEFITS EXPENSE

Salaries, bonus, etc.
Contribution to provident and other funds
Staff welfare expenses
Other fund expenses

Less: Expenditure incurred on joint venture projects

Share in Joint Ventures

Total

NOTE '27'

FINANCE COSTS

Interest:
- Debentures
- Fixed Loans

Other Borrowing Costs

Less: Expenditure incurred on joint venture projects

Share in Joint Ventures

Total

NOTE '28'

DEPRECIATION AND AMORTISATION

Depreciation on tangible fixed assets
Amortization on intangible assets
Depreciation on investment property

Add: Share in Joint Ventures

Total

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
	1,340.42	1,340.42
	64,389.79	59,697.96
	1,043.22	1,662.78
	66,773.43	62,701.16
	(3,031.18)	(1,626.68)
	—	(5,509.38)
	(1,111.36)	—
	(768.82)	(6,128.76)
	20,344.36	1,034.90
	82,206.43	50,471.24
	229.06	1,340.42
	98,327.50	64,389.79
	—	1,043.22
	98,556.56	66,773.43
	(16,350.13)	(16,302.19)
	(11,557.31)	(4,939.60)
	(27,907.44)	(21,241.79)
	2,414.00	2,571.98
	90.28	78.93
	56.37	40.06
	8.80	11.88
	2,569.45	2,702.85
	—	118.19
	2,569.45	2,584.66
	290.28	47.53
	2,859.73	2,632.19
	4,195.97	1,345.41
	22,031.47	20,309.83
	26,227.44	21,655.24
	1,749.61	1,833.82
	27,977.05	23,489.06
	—	30.99
	27,977.05	23,458.07
	5,129.27	4,420.17
	33,106.32	27,878.24
	493.87	316.87
	97.70	117.43
	174.75	89.67
	766.32	523.97
	639.58	761.27
	1,405.90	1,285.24

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOTE '29'

OTHER EXPENSES

	31 March, 2012 (₹ in lacs)	31 March, 2011 (₹ in lacs)
Insurance	45.05	410.92
Rent	18.56	55.82
Rates and Taxes	117.26	167.10
Advertisement Expenses	606.43	878.58
Advances and other debit balances written off	20.83	5.64
Donations	32.59	417.81
Brokerage	217.72	818.34
Directors' Fees and Travelling Expenses	46.28	48.49
Commission to Non-Executive Directors	37.20	40.00
Provision for diminution in value of Investments	—	0.49
Provision for Doubtful Advances	7.53	201.95
Repairs and Society Maintenance Charges	212.97	373.69
Project Expenses written off / amortised	3,031.18	1,626.68
Legal and Professional Fees	1,567.64	826.62
Amortisation of expenditure incurred on joint venture projects	2,256.36	424.98
Other Expenses	1,447.88	968.05
Project implementation costs	—	39.69
Loss on sale / discardment of Fixed Assets	37.11	79.72
Interest on delayed payment	1,769.60	1,660.67
Goodwill written off	—	69.38
	11,472.19	9,114.62
Less: Expenditure incurred on joint venture projects	—	107.00
	11,472.19	9,007.62
Share in Joint Ventures	1,856.28	2,013.08
	13,328.47	11,020.70
Total		

NOTE '30'

During the year a major fire took place at the registered office of the Company on 23rd December 2011, causing extensive damage and destruction of the records, documents and assets of the Company. However, the financial accounting records of the Company were intact. The assets of the Company at its registered office which were destroyed in fire were insured. On account of pending approval of the claims from the insurer, the Company has provided for the losses to the extent of ₹ 350 lacs on a prudent basis, under the head extraordinary Items.

NOTE '31'

PRIOR PERIOD ADJUSTMENTS (NET)

Depreciation adjustments	7.68	(433.47)
Debits relating to earlier years		
Finance costs	(0.89)	(24.48)
Legal and professional fees	(6.34)	(30.00)
Reversal of floor space index (FSI)	(664.44)	—
Other expenses	(5.95)	(8.33)
Credits relating to earlier years		
Finance costs	40.06	79.31
Insurance	8.81	—
Other expenses	24.68	5.18
	(596.39)	(411.80)
Total		

NOTE '32'

EARNINGS PER SHARE (EPS)

	(₹ in lacs) / (Nos)	(₹ in lacs) / (Nos)
Net Profit as per Statement of Profit and Loss available for Equity Shareholders before extraordinary items (₹)	2,723.16	17,618.48
Net Profit as per Statement of Profit and Loss available for Equity Shareholders after extraordinary items (₹)	2,369.96	17,618.48
Weighted average number of equity shares outstanding at the end of the year (Nos.)	72,735,871	72,735,871
Earnings per equity share (Nominal value per share Rs. 10/- each)		
Earnings before extraordinary items		
Basic and diluted	3.74	24.22
Earnings after extraordinary items (net of tax expense)		
Basic and diluted	3.26	24.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33'

Related Party Transactions

A. Names of related parties and description of relationship

I. SUBSIDIARIES

- 1 ABP Realty Advisors Private Limited
- 2 Ackruti Campus of Research and Education Private Limited (upto December 28, 2011)
- 3 Ackruti Center Infotech Limited
- 4 Citygold Education Research Limited
- 5 Citygold Farming Private Limited
- 6 Harmony Erectors Private Limited (upto December 28, 2011)
- 7 Headland Farming Private Limited
- 8 Heddle Knowledge Private Limited
- 9 Heeler Hospitality Private Limited
- 10 India Development and Construction Venture Capital Private Limited
- 11 Sunmist Builders Private Limited (upto December 27, 2011)

II. ASSOCIATES

- 1 Ackruti City Bus Terminal (Surat) Private Limited (upto February 18, 2012)
- 2 Bigcity Developers Private Limited (upto December 27, 2011)
- 3 Forefront Realty Private Limited (upto December 28, 2011)
- 4 Citywood Builders Private Limited
- 5 Comral Realty Private Limited
- 6 Gallant Infotech Private Limited
- 7 Glamorous Properties Private Limited
- 8 Harbinger Developers Private Limited
- 9 Joynest Premises Private Limited
- 10 Pristine Developers Private Limited
- 11 Sunstream City Private Limited
- 12 Trans Gulf MEP Engineers Private Limited (from September 8, 2011)
- 13 Whitebud Developers Limited
- 14 Vinca Developer Private Limited
- 15 Leading Work Properties Private Limited
- 16 Yellowcity Builders Private Limited

III. JOINTLY CONTROLLED ENTITIES

- 1 Ackruti City Bus Terminal (Vadodara) Private Limited
- 2 Ackruti City Bus Terminal (Mehsana) Private Limited
- 3 Ackruti City Bus Terminal (Adajan) Private Limited
- 4 Ackruti City Bus Terminal (Ahmedabad) Private Limited
- 5 Ackruti City Magnum Limited (from July 01, 2011)
- 6 Quadron Business Park Limited (formerly DLF Ackruti Info Parks (Pune) Limited) (upto December 28, 2011)
- 7 Hoary Realty Limited
- 8 Joyous Housing Limited
- 9 Rare Townships Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

III. JOINTLY CONTROLLED ENTITIES (Contd.)

- 10 Aarti Projects and Constructions
- 11 Akruiti Jay Chandan JV
- 12 Primeria JV (Formerly known as Akruiti Forefront JV)
- 13 Akruiti GM JV
- 14 Akruiti Jay Developers
- 15 Akruiti Kailash Constructions
- 16 Akruiti Realty Forefront Combine
- 17 Akruiti Steelfab Corporation
- 18 Hiranandani Akruiti JV
- 19 Shreenath Realtors
- 20 Akruiti SMC JV
- 21 Gandhi Adhivitiya Combine
- 22 Sole Builder (Formerly known as Commercial Construction Corporation)
- 23 Panama JV (from April 01, 2011)
- 24 Gulati Estate JV (from February 22, 2012)

IV. KEY MANAGEMENT PERSONNEL

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director
- 3 Mr. Madhukar B. Chobe, Executive Director

V. RELATIVES OF KEY MANAGEMENT PERSONNEL

- 1 Mrs. Lata M. Shah - Mother of Executive Chairman and Managing Director
- 2 Mrs. Kunjal H. Shah - Wife of Executive Chairman
- 3 Mrs. Falguni V. Shah - Wife of Managing Director
- 4 Mr. Rushank V. Shah - Son of Managing Director
- 5 Mr. Khilen V. Shah - Son of Managing Director
- 6 Master Kushal H. Shah - Son of Executive Chairman
- 7 Hemant M. Shah HUF – Karta, Executive Chairman
- 8 Vyomesh M. Shah HUF – Karta, Managing Director
- 9 Mahipatray V. Shah HUF – Karta, Executive Chairman

VI. ENTERPRISES WHERE KEY MANAGERIAL PERSONNEL OR THEIR RELATIVES EXERCISE SIGNIFICANT INFLUENCE

(Where transactions have taken place)

- 1 Ackruiti Campus of Research and Education Private Limited (from December 28, 2011)
- 2 Bigcity Developers Private Limited (from December 28, 2011)
- 3 Buildbyte. Com. (India) Private Limited
- 4 Citygold Management Services Private Limited
- 5 Forefront Realty Private Limited (from December 28, 2011)
- 6 Harmony Erectors Private Limited (from December 28, 2011)
- 7 Helik Advisory Limited (Formerly known as Helik Consultancy Limited)
- 8 Ichha Constructions Private Limited
- 9 Saicharan Consultancy Private Limited
- 10 Sanskriti Developers Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises
i.	Loans and Advances received/recovered/adjusted				
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	5,901.49 (825.93)
	Sunstream City Private Limited	— (—)	12,501.00 (450.00)	— (—)	— (—)
	Others	— (4,752.61)	0.25 (272.05)	8,878.33 (12,581.49)	1,265.83 (—)
ii.	Loans and Advances given/repaid/adjusted (including other payments)				
	Sunstream City Private Limited	— (—)	27,011.65 (—)	— (—)	— (—)
	Others	— (9,633.48)	1,463.75 (11,436.62)	12,571.98 (11,124.68)	4,638.75 (3,677.32)
iii.	Interest received				
	Others	— (0.81)	475.32 (4,358.65)	695.13 (673.61)	361.98 (290.68)
iv.	Interest paid				
	Kunjaj H. Shah	— (—)	— (—)	— (—)	44.06 (—)
	Ackruti City Bus Terminal (Adajan) Private Limited	— (—)	— (—)	85.86 (—)	— (—)
	Others	— (—)	— (—)	8.12 (243.78)	94.68 (45.60)
v.	Advance against Share Application				
	Others	— (254.74)	— (56.50)	— (385.40)	— (—)
vi.	Advance against Share Application adjusted/refunded				
	Heeler Hospitality Private Limited	— (2,107.41)	— (—)	— (—)	— (—)
	Others	— (—)	— (247.94)	— (—)	0.07 (—)
vii.	Services received/availed				
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	820.83 (898.02)
	Others	— (—)	— (9.46)	— (—)	— (8.57)
viii.	On behalf payments (Including reimbursement of expenses)				
	Sunstream City Private Limited	— (—)	7,973.72 (—)	— (—)	— (—)
	Others	— (—)	797.19 (3,745.43)	924.38 (657.43)	— (1.35)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises
ix.	On behalf payments received/adjusted				
	Sunstream City Private Limited	— (—)	12,500.00 (—)	— (—)	— (—)
	Others	— (—)	43.67 (—)	3,694.98 (—)	— (—)
x.	Services rendered				
	Quadron Business Park Limited (formerly known as DLF Akruti Info Parks (Pune) Limited)	— (—)	— (—)	3,289.00 (64.00)	— (—)
	Others	— (—)	— (—)	73.19 (94.36)	— (—)
xi.	Directors' Remuneration				
	Mr. Hemant M. Shah	— (—)	— (—)	— (—)	182.43 (263.96)
	Mr. Vyomesh M. Shah	— (—)	— (—)	— (—)	165.84 (237.70)
	Mr. Madhukar B. Chobe	— (—)	— (—)	— (—)	54.00 (51.00)
xii.	Remuneration to relatives of KMPs				
	Mr. Rushank Shah	— (—)	— (—)	— (—)	2.96 (—)
	Mr. Khilen V. Shah	— (—)	— (—)	— (—)	2.89 (—)
xiii.	Advance received towards purchase of Flat				
	Mr. Hemant M. Shah - Karta, Hemant M. Shah (HUF)	— (—)	— (—)	— (—)	— (30.00)
	Purchase of Shares				
	Mrs. Kunjal H. Shah	— (—)	— (—)	— (—)	— (3.20)
	Mrs. Falguni V. Shah	— (—)	— (—)	— (—)	— (3.20)
	Mrs. Lata M. Shah	— (—)	— (—)	— (—)	— (3.20)
	Mr. Khilen V. Shah	— (—)	— (—)	— (—)	— (3.20)
	Master Kushal H. Shah	— (—)	— (—)	— (—)	— (3.20)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises
xiv.	Advance paid towards purchase of TDR	— (—)	— (25.50)	— (—)	— (—)
xv.	Advance receivable towards purchase of TDR	— (—)	— (25.50)	— (—)	— (—)
xvi.	Investments (including Debentures)				
	Gulati Estate Joint Venture	— (—)	— (—)	3,096.28 (—)	— (—)
	Akruti City Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	1,066.25 (—)	— (—)
	Others	— (8.00)	301.05 (483.22)	4.09 (854.35)	— (—)
xvii.	Investments transferred/ withdrawn				
	Akruti Jay Chandan JV	— (—)	— (—)	1,216.17 (230.27)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	1,675.00 (—)	— (—)
	Others	— (42.74)	303.86 (—)	44.22 (—)	0.76 (2.00)
xviii.	Share of profit from Partnerships/Joint Ventures				
	Hiranandani Akruti JV	— (—)	— (—)	19.80 (19.80)	— (—)
	Akruti Chandan JV	— (—)	— (—)	73.71 (44.09)	— (—)
	Others	— (—)	— (—)	— (1,371.44)	— (—)
xix.	Share of loss from Partnerships/Joint Ventures				
	Akruti Kailash Constructions	— (—)	— (—)	30.91 (—)	— (—)
	Akruti Jay Developers	— (—)	— (—)	98.96 (—)	— (—)
	Others	— (—)	— (—)	4.30 (3.69)	— (—)
xx.	Deposits received				
	Mr. Vyomesh M. Shah	— (—)	— (—)	— (—)	— (50.00)
	Mrs. Kunjal H. Shah	— (—)	— (—)	— (—)	575.00 (20.00)
	Mrs. Falguni V. Shah	— (—)	— (—)	— (—)	— (80.00)
	Mrs. Lata M. Shah	— (—)	— (—)	— (—)	— (50.00)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises
xx.	Deposits received				
	Mr. Rushank V. Shah	— (—)	— (—)	— (—)	162.51 (25.00)
	Mr. Hemant M. Shah – Karta, Hemant M. Shah HUF	— (—)	— (—)	— (—)	170.00 (—)
	Mr. Hemant M. Shah – Karta, Mahipatray V. Shah HUF	— (—)	— (—)	— (—)	240.00 (—)
	Others	— (—)	— (—)	— (—)	380.00 (50.00)
xxi.	Deposits repaid / prematurity				
	Mr. Khilen V. Shah	— (—)	— (—)	— (—)	— (25.00)
	Mrs. Kunjal H. Shah	— (—)	— (—)	— (—)	575.00 (—)
	Mr. Rushank V. Shah	— (—)	— (—)	— (—)	160.00 (—)
	Mr. Hemant M. Shah – Karta, Hemant M. Shah HUF	— (—)	— (—)	— (—)	170.00 (—)
	Mr. Hemant M. Shah – Karta, Mahipatray V. Shah HUF	— (—)	— (—)	— (—)	240.00 (—)
	Others	— (—)	— (—)	— (—)	380.00 (—)
xxii.	Expenditure incurred on Joint Venture Projects				
	Joyous Housing Limited	— (—)	— (—)	574.77 (—)	— (—)
	Rare Townships Private Limited	— (—)	— (—)	1,203.52 (—)	— (—)
	Others	— (—)	— (—)	— (—)	150.07 (—)
xxiii.	Sale of Shares				
	Ackruti City Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	2.50 (—)	— (—)
	Mr. Rushank V. Shah	— (—)	— (—)	— (—)	6.15 (—)
	Mr. Khilen V. Shah	— (—)	— (—)	— (—)	6.15 (—)
	Master Kushal H. shah	— (—)	— (—)	— (—)	6.15 (—)
	Mrs. Falgluni V. Shah	— (—)	— (—)	— (—)	6.15 (—)
	Mrs. Kunjal H. Shah	— (—)	— (—)	— (—)	6.15 (—)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '33' (Contd.)

B. Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxiv	Dividend paid				
	Mr. Hemant M. Shah	— (—)	— (—)	— (—)	145.00 (290.00)
	Mr. Vyomesh M. Shah	— (—)	— (—)	— (—)	188.50 (377.00)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	— (—)	240.00 (480.00)
	Hemant M. Shah (HUF)	— (—)	— (—)	— (—)	172.30 (344.60)
	Vyomesh M. Shah (HUF)	— (—)	— (—)	— (—)	102.50 (205.00)
	Mrs. Kunjal H. Shah	— (—)	— (—)	— (—)	132.70 (265.40)
	Mrs. Falguni V. Shah	— (—)	— (—)	— (—)	159.00 (318.00)
	Mr. Rushank V. Shah	— (—)	— (—)	— (—)	90.00 (180.00)
	Mr. Khilen V. Shah	— (—)	— (—)	— (—)	90.00 (180.00)
	Master Kushal H. Shah	— (—)	— (—)	— (—)	90.00 (180.00)
	Mrs. Lata M. Shah	— (—)	— (—)	— (—)	60.00 (120.00)
xxv.	Personal Guarantee of Directors				
	Banks	— (—)	— (—)	— (—)	63,640.27 (—)
	Debentures	— (—)	— (—)	— (—)	17,500.00 (—)
	Financial Institutions	— (—)	— (—)	— (—)	16,257.16 (—)
xxvi.	Balance Outstanding Receivables				
	Sunstream City Private Limited	— (—)	58,742.19 (—)	— (—)	— (—)
	Akruti Kailash Constructions	— (—)	— (—)	17,942.30 (2,004.70)	— (—)
	Others	— (12,309.71)	11,721.20 (34,036.17)	14,969.15 (5,122.34)	763.47 (2,462.80)
	Payables				
	Ackruti City Bus Terminal (Adajan) Private Limited	— (—)	— (—)	510.20 (661.88)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	2,505.31 (—)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	1,440.95 (75.12)	— (—)
	Others	— (—)	2.79 (12.37)	128.70 (1,370.41)	121.76 (788.03)
xxvii.	Security by way of shares in the Company.				
	Pledged against loans availed by the Company	— (—)	— (—)	— (—)	— Amount not quantifiable #

Footnotes:

a. # amounts not quantifiable since they fluctuate based on market price of the quoted shares.

b. Previous year figures are given in brackets.

c. \$ Enterprises where key managerial personnel or their relatives exercise significant influence.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '34'

Employee Benefit Obligations

- a. An amount of ₹ 75.96 lacs (P.Y. ₹ 72.52 lacs) (excluding share of joint ventures) under defined contribution plan is recognised as expense in the statement of profit and loss. The disclosures in respect of the Defined Benefit Gratuity Plan (to the extent of information made available by actuary) are given below:

Change in present value of obligation :

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
Obligation at the beginning of the year	180.63	139.05
Current service cost	52.12	39.92
Interest cost	14.56	11.10
Actuarial Gain / (Loss)	23.81	(8.90)
Benefits paid	(10.44)	(0.55)
Obligation at the end of the year	260.69	180.63

Change in plan assets :

Fair value of plan assets at the beginning of the year	160.09	109.96
Expected return on plan assets	15.02	11.99
Actuarial Gain / (Loss)	(0.48)	(1.24)
Contributions	15.00	39.91
Benefits paid	(10.44)	(0.55)
Fair value of plan assets at the end of the year	179.18	160.09

Reconciliation of present value of the obligation and the fair value of Plan Assets and amounts recognised in the balance sheet:

Present value of the obligation at the end of the year	260.69	180.63
Fair value of plan assets at the end of the year	179.18	160.09
Net liability recognised in the balance sheet	(81.50)	(20.54)

Experience Analysis - Liabilities

Actuarial (Gain)/Loss due to change in bases	(3.80)	(0.61)
Experience (Gain)/Loss due to change in experience	27.62	(62.07)

Experience Analysis - Plan Assets

Experience (Gain)/Loss due to change in Plan Assets	0.48	—
---	------	---

Gratuity cost recognised for the year :

Expected rate of return on plan assets	9.5%	9.5%
Current service cost	52.12	39.92
Interest cost	14.56	11.10
Expected return on plan assets	(15.02)	(11.99)
Actuarial Gain/(Loss)	24.30	(7.66)
Net gratuity cost	24.30	(7.66)

Investment details of plan assets (Investments with insurer):

Government securities	50.79%	53.04%
Bonds/NCDs	42.48%	42.77%
Equity Shares	4.13%	4.00%
Fixed Deposits and Margin Money Deposits	2.60%	0.19%

Assumptions:

	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
	LIC (1994-96) UIf	LIC (1994-96) UIf	LIC(1994-96)UIf	LIC(1994-96)UIf	LIC(1994-96)UIf
Mortality	65	65	65	65	65
Normal age of retirement	65	65	65	65	65
Discount rate	8.50%	8.30%	8.00%	7.75%	8.00%
Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%	3.00%
Withdrawal plan	1.00%	3.00%	3.00%	3.00%	3.00%
Present value of obligations (₹)	260.69	180.63	139.05	186.45	53.73
Fair value of plan assets (₹)	179.18	160.09	109.96	26.76	18.20
Surplus / (Deficit) in the plan (₹)	(81.51)	(20.54)	(29.09)	(159.69)	(35.53)

The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

- b. Above information excludes information pertaining to joint venture entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '35'

EFFECT OF ACQUISITION AND DISPOSAL OF SUBSIDIARY COMPANIES

The effect of acquisition and disposal of subsidiaries on the financial position and results as included in the consolidated financial statements for the year ended 31st March, 2012 are given below:

	Acquisition	(₹ in lacs) Disposal
Net Asset	6,085.17 (6.29)	11.97 (2.81)
Total Revenue	590.58 (—)	0.01 (—)
Loss Before Tax	274.61 (0.93)	3.19 (0.21)
Loss After Tax	276.33 (0.71)	3.19 (0.21)

Footnote:

Figures in bracket represent information pertaining to previous year.

NOTE '36'

LEASE RENTAL OBLIGATIONS IN RESPECT OF PREMISES TAKEN UNDER OPERATING LEASES

Operating lease obligations: The Company had taken offices and other facilities under non cancellable operating leases for a period of thirty six months, which were renewable on a periodic basis with escalation ranging between 10% - 15% as per the terms of the agreements.

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
Lease Rental Payables:		
Not later than one year	—	60.00
Later than one year but not later than five years	—	55.00
Later than five years	—	—

NOTE '37'

LEASE RENTAL INCOME IN RESPECT OF PREMISES GIVEN UNDER OPERATING LEASES

Operating lease obligations: The Company had given offices and other facilities under non cancellable operating leases for a period of thirty six months, which were renewable on a periodic basis with escalation ranging between 10% - 15% as per the terms of the agreements.

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
Lease Rental Receivables:		
Not later than one year	836.42	12.72
Later than one year but not later than five years	3,213.23	6.90
Later than five years	—	—

NOTE '38'

DISCLOSURE OF DERIVATIVES

- No derivatives instruments were outstanding at the end of the year.
- Uncovered risks in foreign currency transactions disclosed as at 31st March, 2012.
- Previous year figures are given in brackets.

Particulars	USD	EURO	U K Pound	SG \$	AED
Cash on hand	2,982 (4,570)	110 (110)	67 (667)	165 (165)	600 (600)
Trade Payables	61,258 (—)	— (—)	— (—)	61,274 (—)	— (87,861)
Advances to supplier	— (11,511)	— (—)	— (—)	12,240 (—)	— (—)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE '39'

CONTINGENT LIABILITIES (NOT PROVIDED FOR) :

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
(A) Claims against the Company not acknowledged as debts on account of :		
1) Income tax matters under appeal	1,224.22	6,817.85
2) Demand notice issued by Brihanmumbai Mahanagar Palika for land construction charges (property tax)	565.08	1,054.11
3) Development permission from forest department	156.22	156.22
4) Other Matters	23.28	448.91
5) Charge created on the assets of Jointly Controlled entity in favour of bankers/ financial institution for loan availed by other body corporate.	5,934.58	5,932.74
(B) On account of corporate guarantees issued by the Company to bankers on behalf of other companies and joint ventures for facilities availed by them. (amounts outstanding thereagainst.)	71,621.09	65,313.36
(C) On account of properties purchased in four subsidiaries, pending registration and other formalities under different statutes, for which confirmations are pending, with regards to consideration paid for the purchase of land through agreeegator.	Amount not ascertainable	Amount not ascertainable

Further interest / penalty that may accrue on original demands are not ascertainable, at present. The Company has taken necessary steps to protect its position with respect to the above referred claims, which in its opinion, based on professional / legal advice are not sustainable.

NOTE '40'

The consolidated financial statements present the consolidated accounts of the Company with its Subsidiaries, Joint Ventures and Associates, which incorporate Ackruti Safeguard Systems Private Limited (ASSPL), a subsidiary of the Company that is yet to commence commercial operations. The operations of this subsidiary will fall within a segment separate from the existing one of Real Estate Development. However, consolidated segment information would be given once ASSPL commences operations. Further, the group operates within a single geographical segment.

NOTE '41'

During the earlier years, M/s. Akruti Kailash Constructions ("the firm") had entered into an agreement and sold FSI to a customer. As per clause no. 10(i) (a) of the said agreement, it has been agreed between the parties that the firm will receive the FSI consideration as and when the customer will realise the sale proceeds from the sale of units. The holding company's share in Trade Receivables (Current & Non Current) outstanding from the customer till date is ₹ 194.26 crore. (PY. ₹ 203.59 crore). The sales realisation has been slow during the year due to overall severe slow down and recessionary pressure faced by the real estate industry, which has led to a substantial fall in both demand and property rates. The firm considers the debt to be good and fully recoverable since substantial construction work has been carried out in the project and in their opinion ready stock would fetch good rate and faster realisation of dues.

NOTE '42'

Variation between the Accounting Policies followed by various entities within the group : Depreciation is calculated on Written Down Value method at the rates prescribed by the Income Tax Act, 1961 by entities in the nature of partnership and association of persons (AOP). The proportion of items to which different accounting policy as aforesaid is applied as hereunder :

	31 March 2012 (₹ in lacs)	31 March 2011 (₹ in lacs)
Net Block :		
i) Tangible Assets	855.26	53.55
ii) Intangible Assets	—	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

NOTE '43'

The financial details of subsidiaries in terms of General Circular No. 2/2011 dated 8th February, 2011 issued by the Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, are disclosed in Annexure I to these financial statements.

NOTE '44'

The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial Statements for the year ended 31st March, 2012 have been prepared as per revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to the current year's classification.

As per our report of even date

For and on behalf of the Board of Directors

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

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm Registration No. 103523 W

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 30th May, 2012

Mumbai
Date: 30th May, 2012

SUMMARY OF THE FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2012 ANNEXURE - I

Disclosure in terms of directions under Section 212 (8) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011.

(₹ in lacs)

Name of Subsidiary Company	Issued and Subscribed Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments Other than investments in subsidiary companies (included in total assets)	Turnover and Other Income	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend and Tax thereon
ABP Realty Advisors Private Limited	5.00	(181.12)	31.86	207.98	—	0.45	0.31	0.10	0.21	—
Ackruti Safeguard Systems Private Limited	26.76	(531.25)	570.00	1074.49	—	0.36	(189.94)	—	(189.94)	—
Adhivitiya Properties Limited	5.00	(274.46)	817.90	1087.36	498.70	34.18	(104.15)	3.43	(107.58)	—
Arnav Gruh Limited	5.00	(681.80)	1574.03	2250.83	146.10	252.37	(147.37)	(0.01)	(147.38)	—
Citygold Education Research Limited	230.50	2270.21	5951.80	3451.09	—	50.71	(41.44)	—	(41.44)	—
Citygold Farming Private Limited	259.75	2815.18	13282.50	10207.57	—	8.11	(54.07)	(0.01)	(54.08)	—
Devkrupa Build Tech Limited	5.00	(480.59)	2607.29	3082.88	—	2590.83	549.32	6.50	542.82	—
Diviniti Projects Private Limited	5.00	453.02	476.14	18.12	0.23	62.56	58.99	22.29	36.70	—
Gujarat AkruTi-TCG Biotech Limited	5.00	(245.91)	2375.59	2616.50	—	0.11	(60.35)	—	(60.35)	—
Haltious Developer Limited (formerly Haltious Warehousing Limited)	10.00	410.64	1137.59	716.95	—	2897.06	686.03	217.29	468.74	—
Headland Farming Private Limited	1.00	169.70	1769.07	1598.37	—	15.16	8.72	2.67	6.05	—
Hedde Knowledge Private Limited	1.00	144.95	6589.82	6443.87	0.30	516.15	(185.14)	(1.06)	(184.08)	—
Heeler Hospitality Private Limited	1.00	14.45	1068.20	1052.75	—	—	(1.36)	—	(1.36)	—
Heet Builders Private Limited	5.00	(68.74)	1712.36	1776.10	1709.51	1707.51	(56.71)	—	(56.71)	—
Holiac Realty Limited	5.00	(104.63)	1308.43	1408.06	—	2.48	(4.33)	—	(4.33)	—
India Development and Construction Venture Capital Private Limited	5.00	(14.82)	7.28	17.10	—	—	(1.63)	—	(1.63)	—
Merrygold Buildcon Private Limited	1.00	(1.89)	8.61	9.50	—	—	(1.17)	—	(1.17)	—
# Pushpak Healthcare Services Private Limited	3.13	110.47	570.81	457.21	4.99	0.60	(1.50)	—	(1.33)	—

- ceased to be a subsidiary subsequent to the close of the financial year under review.

SUMMARY OF THE FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2012

Disclosure pursuant to general exemption under Section 212 (8) of the Companies Act, 1956 granted by Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011

(₹ in lacs)

Name of Subsidiary Company	Issued and Subscribed Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments Other than investments in subsidiary companies (included in total assets)	Turnover and Other Income	Profit / (Loss) before Taxation	Provision for Taxation	Profit / (Loss) after Taxation	Proposed Dividend and Tax thereon
Sheshan Housing and Area Development Engineers Limited	5.0	66.93	77.52	5.59	—	6.01	4.84	1.57	3.27	—
Upvan Lake Resorts Private Limited	1.20	(18.04)	410.39	427.23	—	5.44	(8.03)	—	(8.03)	—
Urvi Build Tech Limited	5.0	(440.69)	1907.53	2343.22	—	1565.25	941.15	3.25	937.90	—
Vama Housing Limited	5.00	(282.25)	175.71	452.96	12.00	—	(8.97)	—	(8.97)	—
Vega Developers Private Limited	1.00	(1.04)	1295.77	1295.81	—	—	(0.59)	—	(0.59)	—
Vishal Nirman (India) Limited	5.00	(6.04)	7.95	8.99	1.12	0.15	(1.51)	(22.10)	(23.61)	—
Vishal Techno Commerce Limited	5.00	2925.86	4829.20	1898.34	41.21	465.60	297.30	166.78	130.52	—
Yantli Buildcon Private Limited	5.00	(4.12)	4641.15	4640.27	—	3.80	(4.75)	—	(4.75)	—

For and on behalf of the Board

Hemant M. Shah
Executive Chairman

Mumbai
Date: May 30, 2012

HUBTOWN

E- COMMUNICATION REGISTRATION FORM

Form for registering e-mail address for receiving documents / notices by electronic mode
(In terms of Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively issued
by the Ministry of Corporate Affairs, Government of India)

To
Link Intime India Private Limited
(Unit : Hubtown Limited)
C-13, Pannalal Silk Mills Compound,
Lal Bahadur Shastri Marg, Bhandup (West),
Mumbai 400 078

Name of the Shareholder (s) (In Block Letters) including Joint holders, if any	

Folio No.	
DP ID No.	
Client ID No.	

I/We, shareholder (s) of Hubtown Limited hereby agree to receive documents / notices from the Company through e-mail and my e-mail address for receiving such communication is given below :

E-mail - Id	
-------------	--

Signature of the First Shareholder	
------------------------------------	--

Date : _____, _____, 2012

Notes :

1. On registration, all communication will be sent to the e-mail address registered in the Folio No./DP ID and Client ID.
2. This Form has been uploaded on the website of the Company www.hubtown.co.in
3. The above e-mail address will be registered, subject to verification of your signature with the specimen signature registered with the Company.

HUBTOWN

HUBTOWN LIMITED

Registered Office : Hubtown Solaris, 2nd Floor, N. S. Phadke Marg, Opp. Telli Gully, Andheri (East), Mumbai 400 069

Folio No. / Client ID. No.	
No. of shares held	

ATTENDANCE SLIP

I/We hereby record my/our presence at the Twenty Fourth Annual General Meeting of the Company held on **Wednesday, November 7, 2012 at 10.30 a.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020.**

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF PROXY	

Notes:

1. You are requested to sign and handover this slip at the entrance to the Meeting Venue.
2. If you intend to appoint a proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

HUBTOWN LIMITED

Registered Office : Hubtown Solaris, 2nd Floor, N. S. Phadke Marg, Opp. Telli Gully, Andheri (East), Mumbai 400 069

Folio No. / Client ID. No.	
No. of shares held	

FORM OF PROXY

I/We..... of in the district of being a member/members of **HUBTOWN LIMITED** hereby appoint of in the district of or failing him.....ofin the district of as my/our proxy to vote for me/us on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on **Wednesday, November 7, 2012 at 10.30 a.m. at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020.**

Signed this day of, 2012.



Signature _____

N.B. : The proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



HUBTOWN

(Formerly Ackruti City)

Regd. Off.: Hubtown Solaris, 2nd Floor, N. S. Phadke Marg,
Andheri (East), Mumbai - 400 069. INDIA
Tel.: +91-22-6703 7400 • Fax: +91-22-6703 7403
www.hubtown.co.in