

A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are constructed with light-colored panels and dark window frames, creating a strong geometric pattern. A bright sun is visible in the lower right, creating a large, colorful rainbow lens flare that arcs across the bottom right corner of the image. The sky is a pale, clear blue.

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ANNUAL REPORT

2013-14

HUBTOWN

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CORPORATE INFORMATION

BOARD OF DIRECTORS

HEMANT M. SHAH	Executive Chairman
ARVIND KUMAR JOSHI	
ABHIJIT DATTA	
SHAILESH H. BATHIYA	(upto 10.06.2013)
SUNIL C. SHAH	(w.e.f. 14.08.2014)
PRITI K. SHAH	(w.e.f. 14.08.2014)
VYOMESH M. SHAH (VIMAL M. SHAH)	Managing Director

COMMITTEES OF THE BOARD

AUDIT AND COMPLIANCE COMMITTEE

ABHIJIT DATTA	Chairman
ARVIND KUMAR JOSHI	
SUNIL C. SHAH	
VYOMESH M. SHAH	
SHAILESH H. BATHIYA	(upto 10.06.2013)

NOMINATION AND REMUNERATION COMMITTEE

ABHIJIT DATTA	Chairman
ARVIND KUMAR JOSHI	
SUNIL C. SHAH	
HEMANT M. SHAH	
SHAILESH H. BATHIYA	(upto 10.06.2013)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

ARVIND KUMAR JOSHI	Chairman
SUNIL C. SHAH	
PRITI K. SHAH	
HEMANT M. SHAH	(upto 14.08.2014)
VYOMESH M. SHAH	(upto 14.08.2014)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

RISK MANAGEMENT COMMITTEE

ARVIND KUMAR JOSHI	Chairman
ABHIJIT DATTA	
HEMANT M. SHAH	
VYOMESH M. SHAH	

CHIEF FINANCIAL OFFICER

ANIL AHLUWALIA

COMPANY SECRETARY

CHETAN S. MODY

STATUTORY AUDITORS

HARIBHAKTI & CO. (upto September 30, 2013)	Chartered Accountants
DOSHI DOSHI & ASSOCIATES	Chartered Accountants

INTERNAL AUDITORS

MAHAJAN & AIBARA, Chartered Accountants

REGISTERED OFFICE

'ACKRUTI CENTER POINT', 6TH FLOOR
CENTRAL ROAD, MAROL MIDC
ANDHERI (EAST), MUMBAI 400 093
CIN : L45200MH1989PLC050688
Phone : 022 66830400
Fax : 022 66830602
Investor E-mail : investorcell@hubtown.co.in
Website : www.hubtown.co.in

REGISTRAR & TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED
C-13, PANNALAL SILK MILLS COMPOUND
LAL BAHADUR SHASTRI MARG
BHANDUP (WEST), MUMBAI 400 078
Phone : 022 25693838
Fax : 022 25946969
e-mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

BANKERS

BANK OF MAHARASHTRA
CANARA BANK
DENA BANK
HDFC BANK LIMITED
KOTAK MAHINDRA BANK LIMITED
ORIENTAL BANK OF COMMERCE
PUNJAB NATIONAL BANK
STATE BANK OF PATIALA
UCO BANK
UNION BANK OF INDIA
UNITED BANK OF INDIA

26TH ANNUAL GENERAL MEETING

THURSDAY, SEPTEMBER 25, 2014 AT 10.00 A.M.
'WALCHAND HIRACHAND HALL', 4TH FLOOR
CHURCHGATE, MUMBAI 400 020

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

HUBTOWN LIMITED**NOTICE OF 26TH ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF HUBTOWN LIMITED WILL BE HELD ON THURSDAY, SEPTEMBER 25, 2014 AT 10.00 A.M. AT WALCHAND HIRACHAND HALL, 4TH FLOOR, INDIAN MERCHANTS' CHAMBER BUILDING, INDIAN MERCHANTS CHAMBER MARG, CHURCHGATE, MUMBAI 400020 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Vyomesh M. Shah (DIN 00009596), who retires by rotation and being eligible has offered himself for reappointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit and Compliance Committee of the Board of Directors, M/s. Doshi Doshi & Associates, Chartered Accountants (Firm Registration No. : 121773W) be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of the appointment by the members at every AGM held after this AGM), on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendations of the Audit and Compliance Committee, in addition to reimbursement of service tax and actual out-of-pocket expenses incurred in connection with the audit of the accounts of the Company for the Financial Year ending March 31, 2015."

SPECIAL BUSINESS :**5. APPOINTMENT OF MR. ARVIND KUMAR JOSHI AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules') framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV to the Act and pursuant to the provisions of Clause 49 of the Listing Agreement, Mr. Arvind Kumar Joshi (DIN 00209992), Non-Executive Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto September 25, 2019 and shall not be liable to retire by rotation."

6. APPOINTMENT OF MR. ABHIJIT DATTA AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules') framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule IV to the Act and pursuant to the provisions of Clause 49 of the Listing Agreement, Mr. Abhijit Datta (DIN 00790029), Non-Executive Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto September 25, 2019 and shall not be liable to retire by rotation."

7. APPOINTMENT OF MR. SUNIL C. SHAH AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules') framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act, and pursuant to the provisions of Clause 49 of the Listing Agreement, Mr. Sunil C. Shah, (DIN 06947244) who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 (1) of the Act and Article 136 of the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto September 25, 2019 and shall not be liable to retire by rotation."

NOTICE (CONTD.)

8. APPOINTMENT OF MRS. PRITI K. SHAH AS A DIRECTOR OF THE COMPANY LIABLE TO RETIRE BY ROTATION

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('the Rules') framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Article 136 of the Articles of Association of the Company, Mrs. Priti K. Shah (DIN 01880436) who was appointed as an Additional Director of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

9. PAYMENT OF REMUNERATION TO M/S. N. I. MEHTA & CO., COST ACCOUNTANTS AS COST AUDITOR OF THE COMPANY FOR THE FINANCIAL YEAR ENDING MARCH 31, 2015

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the members hereby ratify the remuneration of upto ₹ 5,00,000/- (Rupees Five Lacs) plus reimbursement of service tax, out-of-pocket expenses and travelling expenses as recommended by the Audit and Compliance Committee, payable to M/s. N. I. Mehta & Co., Cost Accountants (Firm Registration No. 000023), Cost Accountants appointed as Cost Auditors of the Company to conduct audit of the cost accounting records of the Company for the Financial Year ending March 31, 2015;

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

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

Date : August 14, 2014
Place : Mumbai

Chetan S. Mody
Company Secretary

Notes :

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
3. The instrument of Proxy, in order to be effective, should be duly completed and lodged with the Company at its registered office not less than forty-eight hours before the scheduled time for commencement of the Meeting.
4. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
5. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
7. Corporate members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote on their behalf at the said Meeting.
8. Members/Proxies/Representatives should bring the enclosed duly filled Attendance Slip, for attending the Meeting. Copies of the Annual Report or the Attendance Slip will not be distributed at the Meeting.

NOTICE (CONTD.)

9. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Friday, September 19, 2014 to Thursday, September 25, 2014 (both days inclusive) in connection with the Annual General Meeting and for the purpose of payment of dividend, if approved by the members.
10. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after Monday, September 29, 2014 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 Transfer Agent 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.
11. 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.
12. 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 Transfer Agents of the Company at Link Intime India Private Limited in respect of equity shares held in physical form; and
 - b. to register their e-mail address and changes therein from time to time with Link Intime India Private Limited for shares held in physical form and with their respective Depository Participants for shares held in demat form.
13. 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. The said Directors have furnished the requisite declaration for their respective reappointment/appointment.
14. The Notice of the 26th Annual General Meeting and the Annual Report of the Company for the year 2013-2014 circulated to the members of the Company will also be made available on the Company's website www.hubtown.co.in and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com. The physical copy of the Annual Report will also be available at the Registered Office of the Company for inspection during normal business hours on working days.
15. 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.
16. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Registrar and Transfer Agent.
17. Pursuant to the provisions of Section 124 (5) of the Companies Act, 2013, the dividend which remains unclaimed/unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account is mandatorily required to be transferred by the Company to the credit of 'Investor Education and Protection Fund' (IEPF) established by the Central Government under sub-section (1) of Section 125 of the said Act. In accordance with the above provisions, the unclaimed dividend that are due for transfer to IEPF are as under :

Sr. No.	Financial Year	Date of Declaration of Dividend	Tentative Date for transfer to IEPF
1.	2006 - 2007	06.09.2007	11.10.2014
2.	2007 - 2008	25.08.2008	29.09.2015
3.	2008 - 2009	27.08.2009	01.10.2016
4.	2009 - 2010	29.09.2010	03.11.2017
5.	2010 - 2011	11.08.2011	08.09.2018
6.	2011 - 2012	07.11.2012	12.12.2019
7.	2012 - 2013	30.09.2013	03.11.2020

The details of the unclaimed dividends of the aforesaid years are available on the Company's website at www.hubtown.co.in and Ministry of Corporate Affairs at www.mca.gov.in.

NOTICE (CONTD.)

18. As per the provisions of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, facility for making nominations is available to the members in respect of the equity shares held by them. The nomination form can be downloaded from the Company's website www.hubtown.co.in under the section 'Investor Relations'.
19. Electronic copy of the Annual Report 2013-2014 is being sent to the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report 2013-2014 is being sent in the permitted mode. Members who desire to receive documents/communication in electronic mode are requested to register their e-mail address with 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 Link Intime India Private Limited, Registrar and Transfer Agent of the Company. Members holding shares in electronic form are requested to register their e-mail address with their respective Depository Participant.
20. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members whose e-mail IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 26th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Even after registering for e-communication, members are entitled to receive annual reports and other communication in physical form, upon making a request for the same.
21. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
22. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
23. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 ('the Rules') and as mandated by Securities and Exchange Board of India, all listed companies are required to provide their members with the facility to exercise their votes at general meetings through electronic means and accordingly, the Company is pleased to provide the members, facility to cast their vote electronically through e-voting services provided by Central Depository Services (India) Limited ("CDSL"), on all resolutions set forth in this Notice.

A. In case of members receiving e-mail :

The e-voting period commences on Wednesday, September 17, 2014 (10.a.m. IST) and ends on Friday, September 19, 2014 (6.00 p.m. IST). During this period, members of the Company holding shares, either in physical form or in dematerialized form, as of August 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.

- i. Log on to the e-voting website www.evotingindia.com during the voting period.
- ii. Click on "Shareholders" tab.
- iii. Now Enter your User ID :
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

NOTICE (CONTD.)

	For Members holding shares in Demat Form and Physical Form
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or the company, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the relevant "HUBTOWN LIMITED" on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- xvi. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

B. In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

C. General Instructions :

- i. In terms of Clause 35B of the Listing Agreement as amended, the Company has provided an option to its members who do not have access to the e-voting facility, to cast their votes by way of a ballot. The ballot form is enclosed with the Annual Report.
- ii. The voting rights of the members shall be in proportion to their respective share in the paid-up equity share capital of the Company as on the cut-off date of August 14, 2014.

NOTICE (CONTD.)

- iii. Members can opt for only one mode of voting i.e. either physically voting at the AGM or voting through ballot or e-voting. In case a member has cast multiple votes, then voting done by e-voting will be considered as valid.
- iv. The Board of Directors of the Company in its meeting held on August 14, 2014 has, in accordance with Rule 20 (3) (ix) of the Companies (Management and Administration) Rules, 2014 appointed Mr. Ashish Bhatt, practising company secretary to scrutinize the e-voting process (including the ballot forms received from the members who do not have access to the e-voting process) in a fair and transparent manner and in accordance with the provisions of the Act and the Rules made thereunder.
- v. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unlock the votes in the presence of atleast two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast for or against, if any, forthwith to the Chairman of the Company.
- vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Ashish Bhatt, practising company secretary not later than 6.00 p.m. on Friday, September 19, 2014. Ballot Forms received thereafter will be treated as invalid.
- vii. After all the items of the Notice have been discussed, the Chairman will order a poll in respect of all the Items. Poll will be conducted and supervised by the Scrutinizer appointed for e-voting as above. After the conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of e-voting and voting by ballot will be announced by the Company on its website : www.hubtown.co.in within two (2) days from the date of the AGM and on the website of CDSL and will also be communicated to Bombay Stock Exchange Limited and National Stock Exchange of India Limited respectively within two (2) days of the AGM.

The above instructions form an integral part of the Notice for the Twenty Sixth Annual General Meeting of the Company to be held on September 25, 2014.

- 24. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102 (1) of the Act, will be available for inspection at the Registered Office of the Company during business hours on all working days upto the date of the 26th Annual General Meeting of the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 9 of the accompanying Notice :

Note for Item Nos. 5 to 7

Section 149 (4) of the Act which has come into force effective April 1, 2014 requires every listed company to have atleast one-third of total number of Directors as Independent Directors. Further, Section 149 (1) of the Act provides that an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149 (13) read with Section 152 of the Act.

The Securities and Exchange Board of India has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter-alia stipulates the conditions for the appointment of Independent Directors by a listed company.

Item No. 5

Mr. Arvind Kumar Joshi is a Non-Executive Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of the Company in May 2011.

Mr. Joshi is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Joshi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto September 25, 2019. A notice has been received from a member alongwith a deposit of requisite amount under Section 160 of the Act proposing Mr. Joshi as a candidate for the office of Director of the Company.

Mr. Joshi has given to the Company : (i) his consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013; and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Arvind Kumar Joshi as an Independent Director of the Company upto September 25, 2019 pursuant to Section 149 of the Act and the Rules made thereunder. Mr. Joshi is not liable to retire by rotation.

In the opinion of the Board, Mr. Joshi fulfills the conditions specified in the Act and the Rules made thereunder and the Listing Agreement for his appointment as an Independent Director of the Company and he is independent of the management. A copy of the draft letter of appointment for the appointment of Mr. Arvind Kumar Joshi as an Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and intervening holidays, upto the date of the AGM.

The Board considers that his association would be of immense benefit to Company and it is desirable to continue to avail services of Mr. Joshi as an Independent Director.

Accordingly, the Board recommends the resolution as set out at Item No. 5 of the accompanying Notice for the approval of the members.

Except Mr. Joshi, being an appointee and his relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 6

Mr. Abhijit Datta is a Non-Executive Independent Director of the Company pursuant to Clause 49 of the Listing Agreement. He joined the Board of Directors of the Company in May 2011.

Mr. Datta is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Datta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto September 25, 2019. A notice has been received from a member alongwith a deposit of requisite amount under Section 160 of the Act proposing Mr. Datta as a candidate for the office of Director of the Company.

ANNEXURE TO THE NOTICE (CONTD.)

Mr. Datta has given to the Company : (i) his consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013; and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Abhijit Datta as an Independent Director of the Company upto September 25, 2019 pursuant to Section 149 of the Act and the Rules made thereunder. Mr. Datta is not liable to retire by rotation.

In the opinion of the Board, Mr. Datta fulfills the conditions specified in the Act and the Rules made thereunder and the Listing Agreement for his appointment as an Independent Director of the Company and he is independent of the management. A copy of the draft letter of appointment for the appointment of Mr. Abhijit Datta as an Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and intervening holidays, upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to Company and it is desirable to continue to avail services of Mr. Datta as an Independent Director.

Accordingly, the Board recommends the resolution as set out at Item No. 6 of the accompanying Notice for the approval of the members.

Except Mr. Datta, being an appointee and his relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

The Board of Directors at its meeting held on August 14, 2014, appointed Mr. Sunil C. Shah, as an Additional Director of the Company with effect from August 14, 2014, pursuant to the provisions of Section 161 (1) of the Act read with Article 136 of the Articles of Association of the Company. Pursuant to Section 161 (1) of the Act, Mr. Sunil C. Shah will hold office upto the date of the ensuing AGM. The Company has received a notice in writing alongwith a deposit of requisite amount under Section 160 of the Act, from a member proposing the candidature of Mr. Sunil C. Shah for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

Mr. Sunil C. Shah has given to the Company : (i) his consent in writing to act as an Independent Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified to act as a Director under sub-section (2) of Section 164 of the Companies Act, 2013; and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of the members for the appointment of Mr. Sunil C. Shah as an Independent Director of the Company upto September 25, 2019 pursuant to Section 149 of the Act and the Rules made thereunder. Mr. Shah is not liable to retire by rotation.

In the opinion of the Board, Mr. Shah fulfills the conditions specified in the Act and the Rules made thereunder and the Listing Agreement for his appointment as an Independent Director of the Company and he is independent of the management. A copy of the draft letter of appointment for the appointment of Mr. Sunil C. Shah as an Independent Director, setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturdays, Sundays and intervening holidays, upto the date of the AGM.

The Board considers that his continued association would be of immense benefit to Company and it is desirable to continue to avail services of Mr. Shah as an Independent Director.

Accordingly, the Board recommends the resolution as set out at Item No. 7 of the accompanying Notice for the approval of the members.

Except Mr. Shah, being an appointee and his relatives, to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 8

The Board of Directors at its meeting held on August 14, 2014, appointed Mrs. Priti K. Shah as an Additional Director of the Company with effect from August 14, 2014, pursuant to the provisions of Section 161 (1) of the Act read with Article 136 of the Articles of Association of the Company. Pursuant to Section 161 (1) of the Act and Article 136 of the Articles of Association of the Company, Mrs. Shah will hold office upto the date of the ensuing AGM. The Company has received a notice in writing along with a deposit of requisite amount under the provisions of Section 160 of the Act, from a member proposing the candidature of Mrs. Shah for the office of Director of the Company.

ANNEXURE TO THE NOTICE (CONTD.)

Mrs. Shah is not disqualified from being appointed as a Non-Executive Director in terms of Section 164 of the Act and has given her consent to act as a Non-Executive Director.

The Board recommends the appointment of Mrs. Shah as a Non-Executive Director of the Company whose period of office is liable to determination by retirement of directors by rotation.

Except Mrs. Shah being an appointee and her relatives to the extent of their shareholding interest, if any, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

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

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 9

The Board of Directors had on August 14, 2014, on the recommendation of the Audit and Compliance Committee, appointed M/s. N. I. Mehta & Co., Cost Accountants (Firm Registration No. 000023) as the Cost Auditor to conduct audit of the cost accounting records of the Company for the Financial Year ending March 31, 2015 at remuneration of upto ₹ 5,00,000/- (Rupees Five Lacs) plus reimbursement of service tax, out-of-pocket expenses and travelling expenses, if any.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2015 by way of an Ordinary Resolution is being sought from the members as set at Item No.9 of the accompanying Notice.

The Board recommends the resolution at Item No.9 of the accompanying Notice for the approval of the members.

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

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

Date : August 14, 2014
Place : Mumbai

Chetan S. Mody
Company Secretary

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

TO THE MEMBERS

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of your Company together with the Audited Accounts for the financial year ended March 31, 2014.

FINANCIAL RESULTS :

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

(₹ in lac)

	STANDALONE		CONSOLIDATED	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenue from Operations	47764	44972	47606	44106
Other Income	3924	8924	7338	12534
Total Income	51688	53896	54944	56640
Operating Expenditure	18783	15535	17369	12612
Profit before Depreciation / Interest / Tax	32905	38361	37575	44028
Depreciation	557	573	985	1070
Interest and Finance Charges	30465	35016	35673	43458
Profit / (Loss) before Tax	1883	2772	917	(500)
Provision for Tax	(118)	—	(149)	(10)
Add / (Less): Excess / (Short) provision for taxation in respect of earlier years	(520)	(24)	(694)	(15)
Deferred Tax credit / (charge)	2296	310	2323	267
Prior Period Adjustments (net)	3	8	22	(259)
Minority Interest / Share of Profit / (Loss) of Subsidiaries & Associates / Others	—	—	(126)	305
Net Profit / (Loss) for the Year	3544	3066	2293	(212)
Balance Profit brought forward from Previous Year	67843	65509	61628	62685
Tax Credit on proposed dividend	—	114	—	—
Amount available for appropriation	71387	68689	63921	62473
APPROPRIATIONS				
Debt Redemption Reserve	3000	—	3000	—
Proposed Dividend	727	727	727	727
Reversal of proposed dividend and tax thereon	(696)	—	(696)	—
Dividend Distribution Tax	124	118	124	118
General Reserves	—	—	—	—
Balance carried to Balance Sheet	68232	67844	60766	61628
Earnings per Share before Extraordinary Item (₹) (EPS)	4.87	4.22	3.15	(0.29)
Earnings per Share after Extraordinary Item (₹) (EPS)	4.87	4.22	3.15	(0.29)

FINANCIAL PERFORMANCE :

Consolidated Financials

During the year under review, your Company's consolidated turnover was lower by 2.99 % at ₹ 54944 lacs as compared to ₹ 56640 lacs for the previous year. Profit before tax stood at ₹ 917 lacs for the year under review as compared to loss of ₹ 500 lacs for the previous year. Profit after tax stood at ₹ 2293 lacs as compared to loss of ₹ 212 lacs in the previous year.

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

Standalone Financials

During the year under review, the turnover of the Company was lower by 4.09 % at ₹ 51688 lacs as compared to ₹ 53896 lacs in the previous year. Profit before Tax was lower by 32.07 % at ₹ 1883 lacs as compared to ₹ 2772 lacs for the previous year. Profit after Tax was higher by 15.59 % at ₹ 3544 lacs as compared to ₹ 3066 lacs in the previous year.

In view of the downturn in the economy during the year under review, your Company's performance as well as profits were to a greater extent impacted due to rising inflation, rupee depreciation, increased cost of capital, increased cost of construction and restrained demand from end-users. The operational cashflows were adversely impacted for a major part of the year under review due to lower than expected sales level resulting in intense pressure on profit margins.

APPROPRIATIONS :

Despite the challenging business environment, sluggish industry volumes and increased costs, your Directors are pleased to recommend a dividend of ₹ 1/- (10 %) (Previous Year : ₹ 1.00 per share – 10 %) per equity share of the face value of ₹ 10 each for the year ended March 31, 2014, aggregating ₹ 727 lacs (Previous Year : ₹ 727 lacs) subject to the approval of the members at the ensuing Annual General Meeting. The dividend distribution tax to be borne by the Company amounts to ₹ 124 lacs (Previous Year : ₹ 118 lacs). The dividend will be paid in accordance with the applicable rules and regulations.

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.

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 all new projects / marketing initiatives, 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)

Hubtown Vedant – Sion (East)

Hubtown Season – Chembur

Hubtown Sunstone – Bandra (East)

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

Hubtown Serene – Bandra (East)

Hubtown Mont Metro – Peddar Road

Hubtown Celesté – Worli

Hubtown Grove – Andheri (West)

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

GLOBAL ECONOMIC OVERVIEW :

¹The year 2013-2014 was a challenging year for the global economy which grew at 3 percent in 2013 as against 3.2 percent recorded in 2012. Global economic activity and world trade picked up in the second half of 2013 and is expected to improve further in 2014-2015, with much of the impetus coming from advanced economies. Looking ahead, global growth is projected to strengthen from 3 percent in 2013 to 3.6 percent in 2014 and 3.9 percent in 2015. The US economy grew by 1.9 percent in 2013, while the Euro Area contracted by 0.5 percent. The Emerging Markets and Developing Economies, as a group, saw a further slowdown in growth rates from 5.0 percent in 2012 to 4.7 percent in 2013.

¹In Advanced Economies, growth is expected to increase to about 2.25 percent in 2014-2015; growth is projected to be positive but varied in Euro Area; and in Emerging Markets and Developing Economies, growth is projected to pick up gradually from 4.7 percent in 2013 to about 5 percent in 2014 and 5.25 percent in 2015.

¹Despite the improved prospects as stated above, global economic recovery remains fragile with significant downside risks. New geopolitical risks, impact of a faster-than-anticipated withdrawal from monetary easing by the US and other developed countries on Emerging Markets and Developing Economies, continuing concerns of deflationary conditions and weak sovereign balance sheets in the Euro Area are some of the key challenges facing the global economic recovery.

INDIAN ECONOMY :

Over the past many decades after Independence, the Indian economy has gone through different cycles of growth. With the opening up of the economy, the growth rates showed promise but in the recent past it has not been able to sustain the trajectory. In recent years, the economic and business environment in India has become much more challenging. The global economic slowdown that started a few years ago increased the complexity and volatility in the environment. The stress on the economy started showing during the year 2011. In subsequent years, the growth rate for GDP continued to slide even lower. Various factors, both internal and external have contributed to this including political environment, high fiscal deficit, consistently high inflation and volatility in currency.

The Indian economy gained momentum in F.Y. 2013-2014, but it registered sub 5 percent growth for the second consecutive year at the slowest pace in the last decade; though GDP growth in Fiscal 2014-2015 is projected to improve, it is likely to remain under 6 percent. In F.Y. 2013-2014, India's GDP grew by 4.7 percent compared to 4.5 percent in F.Y. 2012-2013. During the year under review, the environment continued to remain challenging. Despite a good monsoon, the manufacturing indices declined. Commodity prices continued peaking with food inflation hitting all time high, resulting in high overall inflation. Rupee depreciated significantly before reviving a little, and the consumer sentiment remained subdued as well. The Government and Reserve Bank of India managed to control the exchange rate fluctuation to some extent with appropriate monetary and fiscal policies during the latter part of the year. Though this seems to be a temporary phase, it is possible that acceleration in growth may take longer than anticipated earlier.

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

While India remains one of the fastest growing economies in the world, the slowdown in economic growth in the last two years is a cause of concern, being far below the desired levels and the country's potential. The economic potential of India remains promising but it has many challenges to overcome. To set the economy on the growth path, there is a need not only for a clearly defined vision and competent economic management but also for a pro-active, industry-centric decision making alongwith sweeping reforms aimed at boosting investment and further reducing inflation and fiscal deficit.

BUDGET 2014-2015:

The Union Budget for 2014-2015 has set the ball rolling for the revival of the real estate sector. Key policy measures relating to the real estate sector as announced in the Budget are summarized hereunder :

- Provision of INR 7,060 crores for development of 100 smart cities;
- Allocation to National Housing Bank INR 8,000 crores and 4,000 crores to support rural housing and urban affordable housing respectively;
- Inclusion of slum development in Corporate Social Responsibility activities;
- Built-up area and minimum capitalization requirements for FDI in real estate sector proposed to be reduced from 50,000 sq. meters to 20,000 sq. meters and from US \$ 10 million to US \$ 5 million respectively with a three year post completion lock-in;
- Exemption from minimum built-up area and capitalization requirements for projects committing atleast 30 percent of the total project cost for affordable housing;
- Real Estate Investment Trusts (REITs) to be allowed pass-through tax status;
- Deduction of home loan interest increased from ₹ 1.5 lacs to ₹ 2.00 lacs and for home loan repayment increased from ₹ 1.00 lacs to ₹ 1.5 lacs.

The above policy measures underline the Government focus on the real estate sector not only as a GDP contributor and employment generator but also as one of the engines to revive the economic growth.

REAL ESTATE SECTOR OVERVIEW :

²The Indian real estate and construction sector is an integral part of the economy and plays an important role in the development of the country's infrastructure base and is one of the largest generators of economic activity. The construction sector has strong linkages with various industries such as cement, tiles, steel, chemicals, paint, fittings and fixtures, etc. The real estate sector is an important component of the construction industry and serves as a propeller for private sector involvement in the growth of the country's built environment.

²The synergies between the construction and the real estate sector cannot be ignored as real estate accounts for a significant portion of the construction segment. India is expected to become the third largest construction market in the world by 2020, with the real estate sector expected to reach a size of US \$180 billion.

³Real estate is one of the biggest drivers of economic growth and investments. Over the years, the real estate sector in India has grown to become the fastest growing real estate markets in the world. The sector is critical to Indian economy given the multiplier effect it has on the economy. This is evidenced by the fact that the contribution of the real estate sector to India's GDP was estimated to be 6.3 percent in 2013. While housing contributes approximately 5 - 6 percent of the country's GDP, the retail, hospitality and commercial sub-sector have also grown simultaneously, meeting the infrastructural needs. According to industry estimates, the size of the India's real estate market was estimated to be approximately US \$ 78.5 billion in F.Y. 13 and is expected to grow to approximately US \$140 billion in F.Y. 17.

³The sector riding high on the back of rapid urbanization, positive demographics and increasing income levels, has attracted significant investment over the past few years. ⁴The total FDI inflow into India in 2013-2014 was US \$ 36,396 million, as against US \$ 36,860 million in 2012-2013. Cumulative FDI in the construction development sector (including townships, housing, built-up infrastructure and construction-development projects) from April 2000 to March 2014 stood at US \$ 23,306 million equivalent to INR 108,558 crores. FDI inflows into the construction development sector in 2013-2014 stood at US \$ 1,226 million. In order to boost FDI inflows into the sector, the Budget for 2014-2015 has relaxed the guidelines for FDI into the real estate sector.

³India's rising economic prosperity has led to contemporary consumerism, which is clearly exemplified in the transformation of the Indian luxury market. Currently, the Indian real estate sector is also witnessing this metamorphosis. Consumers have started seeking exclusive attributes in real estate products be it in the form of designer homes, exclusive facilities such as terrace gardens, plunge pools, etc. This in turn has led to an increase in luxury residential development, albeit on a smaller scale.

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

THE YEAR IN RETROSPECT

²Economic slowdown, inflationary pressures, volatility in foreign exchange and stock markets, low demand for flats, subdued commercial leasing, huge unsold housing stock, liquidity crunch, costly debt, limited launch of new projects and lower revenue-net profit numbers of real estate companies took a toll on India's real estate sector in 2013 and made the consumers wary of spending. The demand in the realty sector remained subdued throughout the year particularly in the housing segment. The economic downturn also subdued office and retail markets, resulting in a sales slowdown and pressure on capital values across leading cities. As a result investment slowed across segments, resulting in stagnant construction activity. An inventory pile-up due to a demand-supply mismatch and on going credit crunch resulted in greater focus on the sale of unsold units over launching of new projects.

OVERALL ECONOMIC IMPACT OF THE REAL ESTATE SECTOR IN THE YEAR 2013

The following is the broad estimate of the economic footprint of the real estate construction sector in the year 2013:

Total Estimated Real Estate Supply (2013)	3.6 billion sq. ft.
Total Revenue Potential of Real estate Construction in 2013	INR 370,000 crores
Estimated Gross Domestic Product (2013)	INR 5,8333,685 crores
Estimated Contribution of Real Estate to Gross Domestic Product in 2013	6.3 percent
Total employment generated by the sector in 2013	7.6 million people
Total investment generated by the sector in 2013	INR 254,000 crores

Source : CBRE Research, CREDAI

ECONOMIC FOOTPRINT OF THE REAL ESTATE SECTOR IN THE YEAR 2013

The economic opportunities generated by the estimated consumption of the selected construction component sectors have been provided below :

Economic Footprint	Iron & Steel	Cement	Bricks	Glass	Sand	Wood	Others
Potential revenues (INR Crores)	103, 000	78,000	47,000	34,000	15,000	45,000	48,000
Investment Generated (INR Crores)	87,000	70,000	18,000	4,000	7,000	35,000	33,000
Direct Employment Generated	157,000	100,000	1,600,000	2,000	105,000	129,000	350,000
Potential employment generated on the building site during the construction of 3.6 billion sq. ft. in 2013						5,100,000	

Source : CBRE Research, CREDAI

RESIDENTIAL REAL ESTATE

²The housing market witnessed signs of prolonged stagnation in demand, and deterioration in pricing in the first few months of 2013. A slowdown in sales volumes became evident across most leading markets. The inventory pile-up was visible on ready as well as under-construction projects, and was largely a function of the prevalent economic squeeze and high borrowing costs. The effect of the downturn was evident in most prime residential markets such as Delhi NCR and Mumbai. End-user demand in the high-end and mid-end segments remained low, while sentiments remained weak in the premium / luxury housing segment as well.

²Home buyer sentiments remained cautious due to the high price points, with preferences shifting to secondary and emerging micro-markets. Though unsold inventory piled up across locations, a few cities such as Pune and Bengaluru did manage to generate demand due to their relative affordability, and growth of commercial activity. The other bright side was the depreciating rupee, which helped to generate demand from foreign investors (particularly non-resident Indians).

According to National Housing Bank's Residex, the index rose 1.92 - 27.06 percent year-on-year in the September 2013 quarter in 15 of the 20 cities. However, in 12 of these cities, the increase was less than 10 percent, while in 5 cities the index declined by 5.56 percent - 10.71 percent.

²Residential launches dropped by about 12 percent in 2013 from 2012. An estimated 1,72,500 apartment units were launched in 2013 in eight major cities compared with about 1,96,846 units in 2012. Bengaluru recorded the largest number of units launched in 2013 at 49,279 flats, up by 15 percent from last year. Mumbai (6 percent) and Kolkata (3 percent) saw a rise in the total units launched in 2013 over last year. Chennai, on the other hand saw the sharpest decline in launches of new residential units which represented a drop of 39 percent over last year. NCR (-33 percent), Pune (-20 percent), Ahmedabad (-5 percent) and Hyderabad (-3 percent) recorded a decline.

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

⁵Luxury and affordable housing segments were also affected in 2013 with new launches dropping 72 percent and 25 percent respectively, over the previous year. Demand was also hit as the Reserve Bank of India curtailed certain subvention schemes, terming these as an additional risk to both banks and home loan borrowers. RBI restricted banks and housing finance companies from offering upfront disbursement of loans to developers and asked them to instead link it to the stages of completion of a project.

² Due to liquidity crunch and piling inventory, the focus shifted from new launches to execution of existing projects, although delays in project execution continued to remain an over-riding concern in most emerging residential markets. Sluggish sales, unsold inventory and rising construction costs contributed to slowdown in new launches during the latter part of the year as well. An increase in unsold inventory and supply pressures led to capital appreciation remaining largely range bound in most micro-markets across the country. Unlike 2012 when prices increased in double digits across most locations, capital appreciation was modest in 2013.

COMMERCIAL REAL ESTATE

²The commercial real estate market in India witnessed heightened caution on part of corporate occupiers, resulting in subdued leasing activity in the first half of 2013. Occupier focus firmly remained on improving existing space utilization and/or relocation to peripheral markets to rationalize costs. The year also witnessed increased levels of consolidation efforts across industry segments, alongside expansion from select sectors such as IT and financial/business services. There was a marginal improvement in market sentiments by the second half of the year, which managed to fuel transaction velocity, even in under construction properties and special economic zones (SEZs).

The presence of abundant, cost-effective office opportunities in the peripheries of leading cities such as Delhi, Mumbai and Bengaluru, attracted corporate occupiers to lease space and implement their impending expansion and/or consolidation plans. The total office space absorption across the seven leading cities of the country stood at more than 28 million sq. ft. by end 2013 a y-o-y growth of about 8.7 percent. Bengaluru was the leading city with total space absorption of about 8.3 million sq. ft., witnessing y-o-y growth of nearly 32 percent followed by Mumbai and Delhi NCR. The total office space addition by end 2013 stood at approximately 31 million sq. ft.

Delayed project deliveries from the second half of 2012 had pushed a number of project completions to the first two quarters of 2013, resulting in steady supply addition to the tune of approximately 21 million sq. ft. in H1 2013. This escalated the demand/supply gap across most markets, resulting in a precipitous rationalization of space infusion in the third quarter of the year. High vacancies and lower demand levels resulted in project delays from the third quarter to the year end. A large number of these commercial and SEZ developments were completed in the fourth quarter, leading to fresh supply infusion of around 7.3 million sq. ft. in Q4 2013 as compared to a meager 3 million sq. ft. in Q3 2013. Consequently, the total office space addition in India's leading cities by end 2013 stood at about 31 million sq. ft. – led by Mumbai, Bengaluru, Pune and Delhi NCR contributing approximately 78 percent to the entire space added in 2013.

Although IT/ITES and allied services sectors continued to account for a major portion of the commercial office space transacted during the year, other sectors such as banking/financial services, research and consulting, pharmaceuticals, engineering and manufacturing, and telecommunications also witnessed an increase in transaction activity. Demand from back office segment remained strong and continued to drive space take-up in IT hubs.

On another note, India's total commercial office stock crossed the 400 million sq. ft. mark in 2013, and stood at a little above 415 million sq. ft. by the end of 2013. Bengaluru also crossed a milestone in its office development curve in 2013, by becoming the first Indian office hub to have joined the club of markets with more than 100 million sq. ft. of office space.

Rental values by and large maintained stability during most of 2013. Certain demand driven markets such as CBDs and a few prominent peripheral locations – witnessed marginal appreciation in rentals during the second half of 2013. On the other hand, certain rentals in supply driven, peripheral micro-markets continued to witness downward pressures, owing to consistent supply infusion in the face of subdued demand.

OPPORTUNITIES:

⁶India has witnessed urbanization on an unprecedented scale with the share of urban population increasing from 28 percent in 2001 to 31 percent in 2011. According to the United Nations, India has the highest urban population rate of change among the BRIC nations. At this rate, an estimated 843 million people will live in Indian cities by 2050, a figure which is the combined population of present day USA, Brazil, Russia, Japan and Germany. Urbanisation in India is changing the face of Indian metropolises as their fast evolving skylines become filled with skyscrapers and iconic architecture. The smaller towns and cities are witnessing a metamorphosis through the expansion of roads and flyovers, real estate development and open areas. This rapid urbanization is expected to offer large-scale opportunities for real estate and infrastructure development in Indian cities, as well as access to a large skilled workforce.

⁶India has a growing young population as nearly 64 percent of the Indian population is in the 15-64 working age-group and 35 percent is in the 15-34 years age group. It is estimated that in 2020, the average age in India will be only 29 years, compared with 37 in China and the United States 45 in Western Europe, and 48 in Japan, providing immense opportunities for growth and development across industries wanting to reap this demographic dividend. The growth in opportunities will increase employment leading to a rise in disposable incomes and consumption expenditure. Increase in consumption will further drive the growth of the manufacturing, retail, residential and commercial sectors.

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

Residential

According to the Ministry of Housing and Urban Poverty Alleviation, in 2012 there were 18.78 million units short in urban India; nearly 95 percent of this shortfall was in the economically weaker sections and low income group housing.

⁵Demand for urban housing will scale up by nearly 12 million units by 2017 based on just the current growth of population. Around 23 percent of this total, demand will be generated in the top eight cities of India. By 2012, the urban population is expected to increase to nearly 500 million, totaling to about 35 percent of the total population of India. Hence the total housing demand in the country by 2017 could be as high as 88.78 million units.

Total Housing Shortage Projection	
Housing Shortage	Units in million
Urban shortage in 2012	18.78
Rural shortage in 2012	43.67
Additional demand due to population growth in 2012-2017	26.33
Total Demand	88.78

Source : Cushman & Wakefield Research; National Housing Board; Ministry of Housing and Urban Poverty Alleviation

Commercial

²Burgeoning growth in the information technology and outsourcing industry is a major demand driver for the growth of commercial real estate space in the country. The sector is the biggest office occupier in the country, comprising of approximately 70 percent of the entire office stock (including IT parks and special economic zones). As IT industry grows in size, the demand for commercial real estate is likely to increase. Occupiers belonging to the IT/ITES, banking and financial services and pharmaceutical sectors are likely to drive the demand for office space; and contribute significantly to overall office space absorption levels. This provides a significant opportunity for real estate developers to step in to meet the requirements of this sector. However, on a downside, the significant quantum of supply lined up for completion by year end 2014 is expected to result in increased vacancy pressures, thereby keeping rental recovery range bound.

Niche sectors expected to provide growth opportunities :

Medical tourism

Medical tourism has been growing rapidly in India, much in sync with the overall tourism industry, with medical tourist arrivals reaching 1.1 million in 2012, witnessing about 23 percent increase from 2011 levels. The current size of the segment in the country is pegged at US \$ 1 billion per annum, witnessing an annual growth of about 18 percent, with expectations to touch US \$ 2 billion by 2015. Given that real estate is a facilitator of healthcare delivery system coupled with the fact that nearly three of every four hospital beds in the country are in private urban hospitals, tremendous opportunities beckon for developers.

Senior Citizen

India is currently witnessing a demographic shift, owing to steady increase in life expectancy on the back of improved healthcare access. Amidst the rise of nuclear families in India, the country's 60 + years' population is currently estimated to be 100 million, with expectations to touch 175 million by 2025, and further to about 250 million by 2050. Further, there has been a change in the mindset of the senior citizen population, with the elderly looking to spend time after retirement in a constructive manner by pursuing hobbies and developing new interests, amongst others. This transformation over the years has translated into an opportunity for real estate developers to provide residential products customized to meet specific needs of the elderly such as availability of adequate healthcare infrastructure, apt social environment, etc.

CHALLENGES:

The real estate sector offers ample opportunities for development across verticals, but there are certain intrinsic challenges that hinder growth of the sector. Factors such as high borrowing costs for developers, lack of institutional funding, liquidity issues and slow and uneven development of urban infrastructure are some of the key challenges facing the sector. Foreign investment is also a critical factor primarily on account of the capital intensive nature of the sector. While domestic financial institutions have been willing to lend to developers for real estate development, their borrowing costs are high and regulations are very stringent.

THREAT, RISKS AND CONCERNS :

Risk is a potential event or non-event, the occurrence or non-occurrence of which can adversely affect the operations of a company. Risk management is a structured approach to manage uncertainty. It involves identifying potential risks, assessing their potential impact, taking timely action to minimise potential impact and continuous monitoring of identified risks. 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.

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

Real Estate Sector Specific Risks

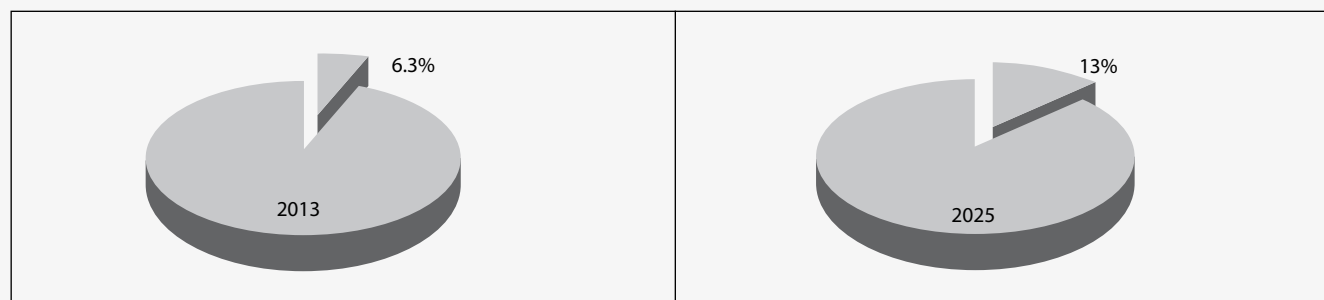
- Fluctuations in market conditions may affect the ability to sell units at expected prices, which could adversely impact revenues and earnings.
- Competition from existing as well as new players, both domestic as well as foreign.
- Increase in interest rates may dampen the growth rate of demand for housing units.
- Real estate price cycles have the maximum impact on the margins of the developers.
- Unfavourable changes in government policies including change in tax structure would affect the growth of the real estate sector.
- Liquidity 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.
- 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.
- Shortage or sharp increase in prices of building materials could impact the project schedule and impact thereby the revenues and margins.
- Delays in obtaining approvals from regulatory authorities.
- Perennial shortage of semi-skilled and skilled labour.
- Economic uncertainty and political fluidity can adversely impact the economy.
- Human Resource Risk – high attrition of skilled/trained manpower.
- Retrospective policy changes and regulatory bottlenecks could impact the performance of real estate companies.
- IT Risk – loss/theft of important and confidential data and breakdown of IT system may adversely affect the Company's ability to monitor progress of the project, etc. and provide timely information about the projects to the customers.
- Legal and Statutory Risk – ownership and land title issues.
- Lack of supporting infrastructure such as roads, highways, electricity, water, sewerage can hamper the growth of real estate.
- Shift in consumer preference may adversely affect the Company's business and operating results.
- Absence of land title insurance.

FUTURE OUTLOOK :

The year 2014 would be a year of revival. Revival has started and the visible change would be seen from second half of 2014.

The economic contribution of the real estate sector is projected to increase significantly during the period, from 6.3 percent in 2013 to almost 13 percent in 2025. This spiraling of growth can be attributed to the significant construction opportunities offered by the housing sector, largely accentuated by the intensifying demand for residential space in the expanding urban limits of our cities. The real estate and construction sector would continue to remain one of the largest employers in the economy. Annual employment opportunities generated in the sector are expected to increase by more than 200 percent, from 7.6 million in 2013 to almost 17.2 million in 2025, offering tremendous opportunities for socio-economic transformation in urban centers and supporting the government in bridging the employment gap in the country more effectively.

Share of the Real Estate Sector in India's GDP from 2013 to 2025



Source : CBRE Research CREDAI

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

The annual real estate supply in India is expected to increase from about 3.6 billion sq. ft. in 2013 to about 8.2 billion sq. ft. in 2025. Majority of this space is expected to be concentrated in the residential sector, with an underlying thought that a sustained focus would be provided by the government not only towards bridging the existing housing shortage in the country, but also towards developing new housing in the expanding urban limits of our cities (especially the Tier – II and Tier – III cities).

A forward looking legislation on REITs will be a key enabler for capital markets in the country, and shall be the single most consequential reform witnessed in the sector in recent times. REITs are adept at searching for income-generating properties, it could result in extracting new growth opportunities through rental housing projects, affordable housing projects and senior citizen housing projects which will increase the depth of the real estate sector. These factors can help the Indian real estate sector sustain its attractiveness.

Business confidence, after all, is a matter of sentiments which is more intangible in nature. Only a healthy transaction rate of residential properties and higher occupancy level of commercial properties, can revive the real estate market in terms of tangible growth orientation.

INTERNAL CONTROLS :

The Company has in place, adequate systems of internal control to ensure that all resources are put to optimum use and are well protected against loss and all transactions are authorised, recorded and reported correctly and there is proper adherence to policies and processes in terms of efficiencies and effectiveness. It is constantly assessed and strengthened with new / revised standard operating procedures and tighter IT controls. The Company's internal control system is supplemented by internal audit conducted by an independent firm of Internal Auditors. The Internal Audit Reports alongwith the recommendations and implementations contained therein are regularly reviewed by the Audit and Compliance Committee.

The Audit and Compliance Committee of the Board also reviews the adequacy and effectiveness of the internal control systems and suggests 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:

Your Company believes that the employees are its main strength and the most valuable asset. In order to attract and retain the best talent, your Company is committed to creating a culture and environment where the people are able to deliver their best and they are recognized and encouraged. Employees are encouraged to suggest and develop new and innovative ideas, methods, processes and techniques which would lead to improvement in overall operational efficiency of the Company.

Your Company upholds the culture of trust and mutual respect in all its employee relations endeavors.

Employee relations continue to be cordial at all levels in the Company.

No complaints were received by the Internal Complaints Committee constituted under 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' and the Rules thereunder.

As on March 31, 2014, the Company had 155 employees on its roll.

FINANCE :

Issue of Debentures :

During the year under review, the Company has not issued any additional Debentures. Subsequent to the close of the financial year, your Company has redeemed in full Secured Debentures aggregating ₹ 60.77 crores. The total debentures outstanding as on the date of this Report are ₹ 118.35 crores.

AUDITORS :

M/s. Doshi Doshi & Associates (Firm Registration No. 121773W), Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting (AGM) in accordance with the provisions of the Companies Act, 1956 and being eligible offer themselves for reappointment. In terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Doshi Doshi & Associates are eligible to be reappointed for a period of 3 (three) years subject to ratification in every AGM by the members.

The Board of Directors, upon the recommendation of the Audit and Compliance Committee, proposes the reappointment of M/s. Doshi Doshi & Associates as Statutory Auditors of the Company for a period of 3 (three) years from the conclusion of the ensuing AGM until the conclusion of the AGM to be held for the year 2017, subject to ratification at every AGM held after the ensuing AGM.

M/s. Doshi Doshi & Associates, the retiring Auditors, have confirmed that their reappointment, if made, would be in conformity with the provisions of Section 139 (1) of the Companies Act, 2013 and that they are not disqualified for reappointment within the meaning of Section 141 of the said Act read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014. The necessary resolution is included in the Notice of the ensuing Annual General Meeting.

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

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, 2014, referred to in the Auditors' Report are self explanatory.

In terms of sub-section (3) of Section 217 of the Companies Act, 1956, the Management's replies to 'Emphasis of Matter' and 'Other matters' reported by the Statutory Auditors in their Audit Reports to the members on the financial statements for the year ended March 31, 2014 are as hereunder :

Emphasis of Matter :

- a. Note 2 (III) (A) (ii) and (iii) to standalone financial statements and Note 3 (III) (A) (ii) and (iii) to consolidated financial statements :
The emphasis of matters included by the Statutory Auditors in their respective Reports are self explanatory and require no further clarification.
- b. Footnote 'd' to Note '4' to standalone financial statements and footnote 'c' to Note '5' to consolidated financial statements :
The management is confident of obtaining the requisite consent of the Debentureholders prior to the Annual General Meeting so as to facilitate the declaration of dividend at the ensuing Annual General Meeting and distribution thereafter to the shareholders.
- c. Footnote 'e' to Note '4' to standalone financial statements and footnote 'd' to Note '5' to consolidated financial statements :
Due to paucity of liquid funds, the Company was not able to make the requisite investment / deposit in terms of Circular No. 11/02/2012-CL-V (A) /04/2013 dated February 11, 2013 issued by the Ministry of Corporate Affairs. The Company is exploring alternative sources of finance for meeting this statutory obligation and is hopeful of meeting with the statutory requirement during the current year.
- d. Footnote ('j') to Note 5 to standalone financial statements and footnote 'k' to Note 6 to consolidated financial statements :
The emphasis of matters included by the Statutory Auditors in their respective Reports are self explanatory and require no further clarification.
- e. Footnote 'b' to Note 12 to consolidated financial statements :
The emphasis of matters included by the Statutory Auditors in their Report are self explanatory and require no further clarification.
- f. Footnote 'c' to Note '13' to standalone financial statements and foot note 'b' to Note '14' to consolidated financial statements :
The emphasis of matter included by the Statutory Auditors in their respective Reports are self explanatory and require no further clarification.
- g. Footnote to Note 18 to standalone financial statements and footnote to Note 19 to consolidated financial statements:
The emphasis of matter included by the Statutory Auditors in their respective Reports are self explanatory and require no further clarification.
- h. Footnote (d) to Note 13 to standalone financial statements and clause (g) to Auditors' Report on consolidated financial statements :
The emphasis of matter included by the Statutory Auditors in their respective reports are self explanatory and require no further clarification.
- i. Footnote to Note 28 to consolidated financial statements:
The emphasis of matter with respect to footnote to Note 28 to consolidated financial statement is self explanatory and requires no further clarification.
- j. Note 33 (B) to standalone financial statements and Note 36 (B) to consolidated financial statements :
and
Footnote to Note '33' to standalone financial statements and footnote to Note '36' to consolidated financial statements:
The corporate guarantees have been given by the Company on behalf of other entities which are having projects located at prime locations and such projects are in various stages of construction/development. All these projects when completed will have net realizable value which will be in excess of the amount of corporate guarantees given by the Company. The management is confident that there will not be any financial liability on the Company on account of any default by any of the entities on whose behalf the corporate guarantees have been given.
The emphasis of matter with respect to footnote to Note 33 to standalone financial statements and footnote to Note 36 to consolidated financial statements are self explanatory and require no further clarification.

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

k. Clause 'a' – 'Other matters' in Auditors' Report on standalone financial statements :

The observations of the Auditors are self explanatory and do not require any further clarification.

l. Clause 'k' in Auditors' Report on consolidated financial statements :

Effects on the consolidated financial statements of the Group have been given based on the audited separate financial statements of the said six joint ventures and an associate. The management is of the view that, even after the inclusion of audited consolidated financial statements of the said joint ventures and the associate, there would not be any material impact on the reported consolidated financial statements of the Group.

Annexure to Auditors' Report (Standalone Financial Statements) :

Clause (ix) (a) of the Annexure referred to in the Auditors' Report on standalone financial statements :

and

Clause (xi) of the Annexure referred to in the Auditors' Report on standalone financial statements :

The delays caused by the Company in discharging its statutory liabilities and in making timely payment of principal and interest on its borrowings have been due to prolonged stagnation in demand in the real estate sector accentuated by economic slowdown, inordinate delays in approval process, inflationary pressures, volatility in foreign exchange and stock market, liquidity crunch and costly debt. The Company is also facing lack of adequate sources of finance to fund development of its real estate projects resulting in delayed realisations from its customers and lower availability of funds to discharge its liabilities. The Company is exploring alternative sources of finance for meeting these obligations and to overcome the temporary liquidity shortage and is hopeful that these efforts would yield fruitful results.

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 on 'Consolidated Financial Statements' read with AS-23 on 'Accounting for Investments in Associates' in Consolidated Financial Statements and AS-27 on 'Financial Reporting of Interests in Joint Ventures' as issued by the Institute of Chartered Accountants of India, are annexed to and form part of this Annual Report.

COST AUDITORS :

Pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors in its meeting held on August 14, 2014, based on the recommendation of the Audit and Compliance Committee, appointed M/s. N. I. Mehta & Co., Cost Accountants (Firm Registration No. 000023) as Cost Auditors of the Company for conducting the audit of the cost accounting records of the Company for the Financial Year ending March 31, 2015. The remuneration proposed to be paid to the Cost Auditors is upto ₹ 5,00,000/- (Rupees Five Lacs only) plus reimbursement of service tax and out-of-pocket expenses, if any, subject to ratification by the members at the ensuing Annual General Meeting vide resolution no. 9 of the Notice of the AGM.

M/s. N. I. Mehta & Co. have confirmed that their appointment is within the limits of Section 139 (9) read with Section 141 (3) (g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Sections 141 (3) and 141 (4) read with proviso to Section 148 (3) of the said Act.

COST COMPLIANCE REPORT :

The Cost Compliance Report for the Financial Year 2012-2013 pursuant to the Companies (Cost Accounting Records) Rules, 2011 was filed within the due date. The due date for submission of the Cost Compliance Report for the Financial Year 2013-2014 is 180 days from March 31, 2014 i.e. on or before September 30, 2014.

FIXED DEPOSITS :

Total amount of deposits outstanding as on March 31, 2014 was ₹ 1040.83 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 :

During the year under review, the Company undertook an extensive exercise to upgrade its Oracle system to the latest version of Oracle i.e. 12.1.3. The upgradation has been successfully completed.

During the current year, the Company plans to initiate and develop Customer Facing Portals which would act as a single point of contact providing all the related information to the customers. The Company also plans to digitalize rehab unit information which would enhance and streamline Business Processes.

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :

The unpaid dividend amount pertaining to the Financial year 2006-2007 will be transferred to the Investor Education and Protection Fund during the current year pursuant to the provisions of Sections 124 (5) and 125 of the Companies Act, 2013 (corresponding to Section 205A and 205C of the erstwhile Companies Act, 1956).

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 30, 2013 (date of last Annual General Meeting) on the Company's website (www.hubtown.co.in) and on the Ministry of Corporate Affairs' website (www.mca.gov.in).

DILUTION OF PROMOTER'S SHAREHOLDING :

Subsequent to the close of the year under review, the Promoter Group of your Company diluted its shareholding in the Company by an Offer for Sale (OFS) through the stock exchange mechanism in order to increase the minimum level of public shareholding in the Company to 25 % of the total paid-up share capital of the Company as mandated by Securities and Exchange Board of India. Post OFS, the public shareholding is 25.02 % and the Promoter group shareholding is 74.98 %.

Your Company is in compliance with the provisions of Securities Contracts (Regulation) Rules, 1957 and Clause 40A of the Listing Agreement relating to minimum level of public shareholding.

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 the 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 Financial 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.

CODE OF CONDUCT :

Pursuant to Clause 49 of the Listing Agreement, the declaration signed by the Managing Director affirming compliance of the Code of Conduct by the Directors and Senior Management Personnel for the year under review is annexed to and forms part of the Corporate Governance Report.

SUBSIDIARIES :

The Company has in all 25 subsidiaries. All the subsidiary companies are non-material, non-listed subsidiary companies as defined under Clause 49 of the Listing Agreement. There has been no material change in the nature of the business of the subsidiaries during the year under review.

The Audit and Compliance Committee reviews the financial statements of the subsidiaries. The minutes of the meetings of the Board of Directors of the respective subsidiaries are also placed before the meetings of the Board of Directors of the Company.

In terms of the general exemption under Section 212 (8) of the Companies Act, 1956 granted by the Ministry of Corporate Affairs (MCA) vide 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, 2014 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 shall be made available to any member of the Company and its subsidiaries seeking such information at any point of time. Further, the annual accounts of the subsidiary companies 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 ensuing Annual General Meeting.

DIRECTORS :

Mr. Vyomesh M. Shah, Managing Director of the Company retires by rotation, and being eligible, offers himself for reappointment at the ensuing Annual General Meeting (AGM).

The Board of Directors of the Company in its meeting held on August 14, 2014, appointed Mr. Sunil C. Shah and Mrs. Priti K. Shah as Additional Directors of the Company who will hold office upto the date of the ensuing AGM and are eligible for reappointment. Under the existing Clause 49 of the Listing Agreement, Mr. Sunil C. Shah and Mrs. Priti K. Shah are designated as Non-Executive, Independent Directors.

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

In view of the provisions of Section 149 of the Companies Act, 2013 and the amended Clause 49 of the Listing Agreement, the Board of your Company has proposed the appointment of Mr. Arvind Kumar Joshi, Mr. Abhijit Datta and Mr. Sunil C. Shah as Independent Directors at the ensuing Annual General Meeting. Pursuant to Section 160 of the Companies Act, 2013, the Board has also proposed the appointment of Mrs. Priti K. Shah as a Non-Executive Director of the Company liable to retire by rotation.

The Company has received the requisite Notices in writing proposing the appointment of Mr. Arvind Kumar Joshi, Mr. Abhijit Datta and Mr. Sunil C. Shah as Independent Directors and Mrs. Priti K. Shah as a Non-Executive Director.

Appropriate resolutions for the reappointment/appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. The brief profile of the aforesaid Directors and other information have been detailed in the Section on 'Corporate Governance' which forms part of this Annual Report.

BOARD COMMITTEES :

Subsequent to the close of the year under review and pursuant to the applicable provisions of the Companies Act, 2013, the Rules made thereunder and Revised Clause 49 of the Listing Agreement:

- i. the Audit and Compliance Committee was reconstituted and the terms of reference were revised;
- ii. the 'Investors'/Shareholders Grievance Committee' was reconstituted and renamed as the 'Stakeholders Relationship Committee' and the terms of reference were revised;
- iii. the Remuneration Committee was reconstituted and renamed as the 'Nomination and Remuneration Committee' and the terms of reference were revised; and
- iv. two new Committees of the Board were constituted namely the 'Corporate Social Responsibility Committee' and the 'Risk Management Committee'.

A detailed note on the Committees of the Board of Directors is given in the Section on Corporate Governance Report forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) they have selected such accounting policies 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, 2014 and of the profit of the Company for the year ended on that date;
- (iii) they have taken proper and sufficient care 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) they have prepared the annual accounts on a 'going concern' basis.

STATUTORY INFORMATION :

Since the Company is not engaged in any manufacturing activity, there is nothing to report on 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.

Expenditure incurred in foreign currency amounted to ₹ 43.04 lacs. There was no earning in foreign exchange during the year under review.

PARTICULARS OF EMPLOYEES :

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. However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid statement 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.

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

APPRECIATION :

Your Directors take the opportunity to express their deep sense of gratitude to bankers, government authorities, financial institutions, business associates, suppliers, consultants, customers and contractors and other stakeholders at large for the valuable co-operation and support received during the year under review and look forward to the same in greater measure in the coming years.

Your Directors would also like to thank the members for reposing their faith and confidence in the Company and its Management.

Your Directors also wish to place on record their appreciation for the hard work and efforts put in by the employees at all levels of the Company.

Your Directors look forward to the long term future with confidence.

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
DIN : 00009659

Mumbai, August 14, 2014.

¹ – International Monetary Fund – World Economic Outlook April 2014.

² – CBRE Research

³ – Ernst & Young – Brave New World for India Real Estate

⁴ – Department of Industrial Policy and Promotion

⁵ – Cushman & Wakefield Research

⁶ – Jones Lang LaSalle Research

CORPORATE GOVERNANCE REPORT

INTRODUCTION

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

MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY :

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

RESPONSIBILITIES :

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

ROLE OF INDEPENDENT DIRECTORS :

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

The Independent Directors are professionals, with expertise and experience in general corporate management, legal, public policy, finance, banking and other allied fields. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

BOARD MEETINGS AND PROCEDURE :

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

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

MEETING COMPLIANCES :

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

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

Vyomesh M. Shah [DIN: 00009596]

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

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

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

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

Arvind Kumar Joshi [DIN : 00209992]

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

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

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

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

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

Abhijit Datta [DIN : 00790029]

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

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

SUNIL C. SHAH [DIN : 06947244]

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

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

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

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

PRITI K. SHAH [DIN: 01880436]

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

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

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

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

3. BOARD COMMITTEES :

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

I. AUDIT AND COMPLIANCE COMMITTEE :

BROAD TERMS OF REFERENCE :

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

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

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

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

COMPOSITION :

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

CORPORATE GOVERNANCE REPORT (CONTD.)

The Chief Financial Officer and the representatives of the Statutory Auditors, and the Internal Auditors are permanent invitees to Audit and Compliance Committee meetings. In addition, other Senior Management Personnel are also invited to the Committee meetings as and when required.

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

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

MEETINGS AND ATTENDANCE :

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

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

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

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

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

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

INTERNAL AUDITORS:

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

II. NOMINATION AND REMUNERATION COMMITTEE:

COMPOSITION :

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

TERMS OF REFERENCE :

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

MEETING AND ATTENDANCE :

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

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

REMUNERATION POLICY :

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

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

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

A. Remuneration to Non-Executive Directors :

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

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

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

B. Remuneration to Executive Chairman and Managing Director :

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

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

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

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

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

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

NON-EXECUTIVE DIRECTORS :

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

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

EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR :

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

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE :

FUNCTIONS :

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

COMPOSITION :

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

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

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

The Company Secretary acts as Secretary to the Committee.

MEETINGS AND ATTENDANCE :

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

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

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

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

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

The number of pending requests for dematerialisation as on March 31, 2014 were Nil. Shareholders'/Investors' complaints and other correspondences are normally attended to within seven working days except where constrained by disputes or legal impediments.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

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

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

TERMS OF REFERENCE :

- To formulate and recommend to the Board, the Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company;
- To recommend the amount of expenditure to be incurred on the activities mentioned in (i) above;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time;
- To prepare an annual report on Corporate Social Responsibility initiatives for inclusion in the Board's Report; and
- To perform such functions as may be detailed in the Companies Act, 2013 and the relevant Rules made thereunder and any other applicable legislation.

CORPORATE GOVERNANCE REPORT (CONTD.)

COMPOSITION :

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

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

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

The Company Secretary acts as Secretary to the Committee.

V. RISK MANAGEMENT COMMITTEE :

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

TERMS OF REFERENCE :

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

COMPOSITION :

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

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

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

The Company Secretary acts as Secretary to the Committee.

VI. COMMITTEE OF DIRECTORS :

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

CORPORATE GOVERNANCE REPORT (CONTD.)

COMPOSITION :

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

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

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

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

4. GENERAL BODY MEETINGS :

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

Financial Year	Date	Location of the Meeting	Time	Particulars of the Special Resolution
2010-2011	August 11, 2011	M. C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg (Rampart Row), Fort, Mumbai 400001	2.00 P.M.	i. appointment of Mr. Rushank V. Shah to an office or place of profit in the Company pursuant to Section 314 (1) of the Companies Act, 1956. ii. appointment of Mr. Khilen V. Shah to an office or place of profit in the Company pursuant to Section 314 (1) of the Companies Act, 1956.
2011-2012	November 7, 2012	Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	10.30 A.M.	i. payment of commission pursuant to Sections 198 and 309 (4) of the Companies Act, 1956, to Non-Wholtime Directors of the Company for a period of three financial years from April 1, 2012 to March 31, 2015. ii. issue of shares pursuant to Section 81 (1A) of the Companies Act, 1956 and Chapter VIIIA of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended. iii. amendment of Article 193 of the Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956
2012-2013	September 30, 2013	Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	10.30 A.M.	No special resolution was passed in the meeting.

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

POSTAL BALLOT :

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

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

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

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

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

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

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

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

5. SUBSIDIARIES:

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

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

6. CODE OF CONDUCT :

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

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

7. INSIDER TRADING :

Code of Conduct for Prevention of Insider Trading :

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

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

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

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

8. FINANCIAL REPORTING AND INTERNAL CONTROLS CERTIFICATION

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

9. DISCLOSURES :

a. Transactions with Non-Executive Directors

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

c. **Disclosure of Accounting Treatment :**

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

d. **Risk Management :**

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

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

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

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

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

g. **Disclosure by Senior Management to the Board :**

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

h. **Mandatory requirements :**

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

i. **Managing Director / Chief Financial Officer Certificate :**

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

Compliance with Non-mandatory requirements :

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

aa. **Non-Executive Chairman's Office :**

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

bb. **Remuneration Committee:**

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

CORPORATE GOVERNANCE REPORT (CONTD.)

cc. Shareholder Rights :

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

dd : Audit Qualifications :

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

ee. Training of Board Members :

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

ff. Mechanism for evaluating Non-Executive Directors :

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

gg. Vigil Mechanism - Whistle Blower Policy :

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

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

10. MEANS OF COMMUNICATION :

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

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

12. GENERAL SHAREHOLDER INFORMATION :

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

13. COMPLIANCE CERTIFICATE OF PRACTISING COMPANY SECRETARY :

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

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

14. SHARE SUSPENSE ACCOUNT :

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

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

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

15. WEBSITE :

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

CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

For **Hubtown Limited**

Vyomesh M. Shah
Managing Director
DIN : 00009596

Mumbai, August 14, 2014

CERTIFICATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

- a. We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2014 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading; and
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing generally accepted accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2014 which are fraudulent, illegal or violative of the Company's Code of Business Conduct and Ethics Conduct;
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors of the Company and the Audit and Compliance Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies; and
- d. We further certify that we have indicated to the Auditors and the Audit and Compliance Committee that :
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting;

For **Hubtown Limited**

Vyomesh M. Shah
Managing Director
DIN : 00009596

Anil Ahluwalia
Chief Financial Officer

Mumbai, May 29, 2014

CORPORATE GOVERNANCE REPORT (CONTD.)

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

**To the Members of
Hubtown Limited**

Certificate on Clause 49 Compliance - Corporate Governance

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

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

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

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

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

For **Ashish Bhatt & Associates**
Company Secretaries

Ashish Bhatt
Membership No 4650
CP No 2956

Date: August 14, 2014
Place: Mumbai

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 Agreement relating to Corporate Governance.

1. Twenty Sixth Annual General Meeting :

Day	Thursday
Date	September 25, 2014
Time	10.00 a.m.
Venue	Walchand Hirachand Hall, 4th floor Indian Merchants' Chamber Building Indian Merchants Chamber Marg Churchgate, Mumbai 400020

2. Financial Calendar :

For the Financial Year 2014–2015, the Financial Results will be announced as per the following tentative schedule (subject to change) :

Financial reporting for the First Quarter ending June 30, 2014	} within 45 days of the close of the respective reporting period.
Financial reporting for the Second Quarter and Half Year ending September 30, 2014	
Financial reporting for the Third Quarter ending December 31, 2014	
Financial reporting for the Year ending March 31, 2015	within 60 days of the close of the financial year

3. Date of Book Closure:

The Register of Members and Share Transfer Books shall remain closed from **Friday, September 19, 2014 to Thursday, September 25, 2014** (both days inclusive) for the purpose of the Annual General Meeting and Dividend.

4. Dividend Payment Date:

Dividend, if declared, will be payable on or after Monday, September 29, 2014.

5. (a) Registered Office :

'Ackruti Center Point', 6th floor
Central Road, Marol MIDC
Andheri (East), Mumbai – 400 093
Maharashtra.
Phone : 022- 66830400 Fax : 022-66830602

(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 400 051	

The Annual Listing Fees have been paid to BSE and NSE for the Financial Year 2014 - 2015.

SHAREHOLDER INFORMATION (CONTD.)

7. Stock Code / Symbol :

BSE	532799
NSE	HUBTOWN EQ
BLOOMBERG	HUB : IN
REUTERS	HUBT.NS
CORPORATE IDENTITY NUMBER (CIN)	L45200MH1989PLC050688
INTERNATIONAL SECURITIES IDENTIFICATION NOS. (ISIN)	
• Equity Shares	INE703H01016
• Secured Redeemable Non-convertible Debentures	INE703H07021

8. Custodial Fees to Depositories :

The Company has paid annual custodial fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the Financial Year 2014-2015 on the basis of number of beneficial accounts maintained by the respective depositories as on March 31, 2014.

9. Market Price Data during 2013 - 2014 :

The monthly high and low market price and volume of the Company's shares traded on BSE and NSE during each month of the Financial Year from April 1, 2013 to March 31, 2014 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Volume (in nos.)	High (₹)	Low (₹)	Volume (in nos.)
April 2013	148.00	120.60	196015	149.00	123.10	352076
May 2013	158.00	132.60	743352	154.00	131.90	309426
June 2013	145.00	130.10	252814	145.40	132.00	258381
July 2013	144.90	132.00	320249	148.00	132.60	329098
August 2013	141.85	120.90	258851	140.00	120.00	278821
September 2013	159.90	119.50	292392	157.00	119.55	335841
October 2013	154.25	127.00	213739	143.00	127.05	207779
November 2013	147.00	119.00	52682	132.30	122.80	55950
December 2013	128.00	111.00	104434	127.10	114.00	139991
January 2014	126.75	110.00	46262	127.00	110.10	92713
February 2014	114.80	101.50	28539	114.70	104.35	69819
March 2014	120.00	100.00	208450	118.90	100.10	626610

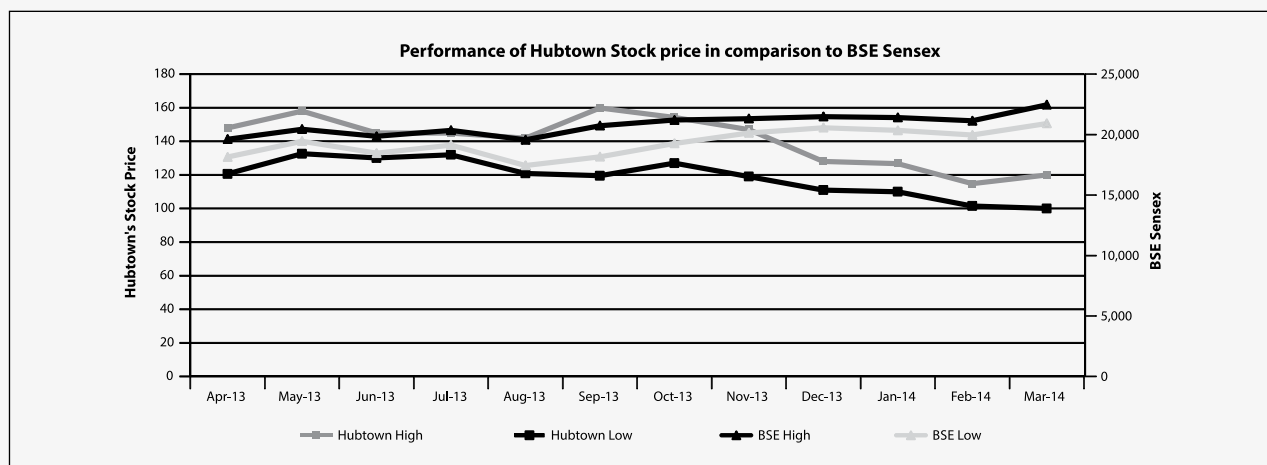
Source : www.bseindia.com; www.nseindia.com

10. Market Capitalisation :

	BSE	NSE
No. of shares traded	2717779	3056505
Highest Share Price (₹)	159.90	157.00
Lowest Share Price (₹)	100.00	100.10
Closing Share Price as on March 31, 2014 (₹)	115.60	115.10
Market Capitalisation as on March 31, 2014 (₹ in crores)	840.83	837.19

SHAREHOLDER INFORMATION (CONTD.)

11. Stock Performance (Indexed) :



12. Registrar and 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.

13. 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

14. Share Transfer System :

The transfer of shares in physical form is processed and completed by Registrar and Transfer 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 Agreement 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 Registrar and Transfer Agent attends to investor grievances in consultation with the Secretarial Department of your Company.

15. Distribution of shareholding size class as on March 31, 2014 :

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 500	22352	97.8720	878609	1.2079
501 - 1000	205	0.8976	158986	0.2186
1001 - 2000	100	0.4379	151063	0.2077
2001 - 3000	32	0.1401	79334	0.1091
3001 - 4000	21	0.0920	76063	0.1046
4001 - 5000	14	0.0613	65526	0.0901
5001 - 10000	31	0.1357	222842	0.3064
10001 - above	83	0.3634	71103448	97.7557
TOTAL	22838	100.00	72735871	100.00

SHAREHOLDER INFORMATION (CONTD.)

16. Distribution of shareholding by ownership as on March 31, 2014 :

CATEGORY	No. of Shareholders	No. of shares held	% of Total
A. Shareholding of Promoter and Promoter Group			
1. Indian			
a. Individuals / Hindu Undivided Family	17	59400000	81.67
b. Bodies Corporate	2	600000	0.82
Sub-Total (A) [1]	19	60000000	82.49
2. Foreign	---	---	---
Sub-Total (A) [2]	---	---	---
A Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	19	60000000	*82.49
B. Public Shareholding			
1. Institutions			
a. Mutual Funds	1	248	0.00
b. Financial Institutions / Banks	---	---	---
c. Venture Capital Fund	---	---	---
d. Insurance Companies	1	56937	0.08
e. Foreign Institutional Investors	5	389436	0.54
Sub-Total (B) (1)	7	446621	0.61
2. Non-Institutions			
a. Bodies Corporate	387	4434520	6.10
b. Resident Individuals			
i. Individual shareholders holding nominal capital upto ₹1 lac	22069	1344598	1.85
ii. Individual shareholders holding nominal capital in excess of ₹ 1 lac	30	4379588	6.02
c. Trusts	4	46	0.00
i. Non-Residents	178	1734831	2.40
ii. Overseas Corporate Bodies	2	11	0.00
iii. Clearing Members	142	395656	0.54
Sub-Total (B) (2)	22812	12289250	16.90
B. Total Public Shareholding (B) = (B)(1) + (B) (2)	22819	12735871	*17.51
GRAND TOTAL (A) + (B)	22838	72735871	100.00

* As on date, of this Report, the Promoters / Promoter Group Shareholding stands at 74.98% and the Public Shareholding at 25.02%.

17. Dematerialisation of shares and liquidity :

As per the directions of SEBI, 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, 2014, 7,27,35,854 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, 2014 :

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL
National Securities Depository Limited	65202484	89.64
Central Depository Services (India) Limited	7533370	10.36
TOTAL DEMATERIALISED	72735854	100.00
PHYSICAL	17	0.00
GRAND TOTAL	72735871	100

SHAREHOLDER INFORMATION (CONTD.)

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

As at March 31, 2014, the Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

19. 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	Respective Depository Participants of the Shareholders
Contact Person	: Ganesh Jadhav	
E-mail	: rnthelpdesk@linkintime.co.in	
Time	: 10.00 a.m. to 1.00 p.m. and 1.30 p.m. to 5.00 p.m.	

20. 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.

21. 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 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 Transfer Agent, Link Intime India Private Limited if the equity shares are held in physical form.

22. Nomination Facility :

Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, a shareholder may, at any time, nominate in Form No. SH.13 any person to whom his shares shall vest in the event of his death. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee by giving a notice of such cancellation or variation in Form No. SH.14.

Shareholders holding shares in physical form and are desirous of making a nomination or cancelling/varying the nomination so made, are requested to send their requests in Form No. SH. 13 or SH. 14 as the case may be, to the Company's Registrar and Transfer Agent. Shareholders holding shares in electronic form are requested to give their nomination request directly to their respective Depository Participants.

Form Nos. SH.13 and SH. 14 can be obtained from the Company's Registrar and Transfer Agent or downloaded from the Company's website: www.hubtown.co.in under the Section 'Investor Relations'.

SHAREHOLDER INFORMATION (CONTD.)

23. 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 practice for due compliance of share transfer formalities by the Company.
- As stipulated by SEBI, a qualified practising Company Secretary carries out reconciliation of 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.

24. E-Voting :

Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company has availed the services of Central Depository Services (India) Limited (CDSL) for providing the necessary e-voting platform to the members for the ensuing Annual General Meeting.

For detailed information on the e-voting procedure, members may please refer the Notes to the Notice of the Annual General Meeting.

25. 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 Registrar and Transfer Agent, 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 Registrar and Transfer Agent (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/Registrar and Transfer Agent 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.

FINANCIAL STATEMENTS
FOR YEAR ENDED MARCH 31, 2014

INDEPENDENT AUDITORS' REPORT

To
The Members of Hubtown Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hubtown Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

Attention is invited to:

- (a) Note 2 (III) (A) (ii) and (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 4 (footnote d) in the financial statements with regard to the dividend recommended by the Board of Directors, wherein the concurrence of the secured debenture holders is required to be obtained in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Debenture Trust Deeds.
- (c) Note 4 (footnote e) in the financial statements with regard to non-creation of investments to the extent of 15% of the value of the redeemable debentures, which are required to be created and earmarked in accordance with the requirements of the General Circular No. 4/2013 dated 11th February 2013 issued by the Ministry of Corporate Affairs.
- (d) Note 5 (footnote k) of the financial statements with regards to non-provision of interest and allied costs or accounting for liabilities on funds received from the debentureholders. We are informed that the management is in the process of negotiating with them and the impact, if any, on the financial statements of the Company after the conclusion of the negotiations is not expected to be material.
- (e) Note 13 (footnote c) in the financial statements with regard to investment in certain debentures.
- (f) Note 18 (footnote) of the financial statements regarding the status of the projects and the opinion framed by the Company's management regarding realizable value of the costs incurred, being a technical matter, relied upon by us.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- (g) Note 33(B) regarding guarantees issued and securities provided aggregating ₹ 64,273.76 lacs by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the profits for the year and the net worth of the Company. In the opinion of the management, these are not expected to result into any financial liability to the Company.
- (h) Note. 33 (footnote) of the financial statements with regard to reliance placed by the auditors on certification received from the management with regard to the disclosure of contingent liabilities given by the Company.

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

Other Matters

Attention is invited to:

- (a) the Statement of Profit and Loss of the Company which includes share of loss (net) from investments in partnership firms / joint ventures aggregating ₹ 818.51 lacs and investments in these firms aggregating ₹ 31,589.54 lacs [Refer Note 13 (G), and 'Current account balance' in Note 17 and Note 11] are based on the financial statements of the firms as audited by other auditors whose reports have been furnished to us, which have been relied upon by us. Further, the Statement of Profit and Loss of the Company includes share of loss (net) from investments in joint ventures aggregating ₹ 29.03 lacs and investments in these firms aggregating ₹ 802.39 lacs [Refer Note 13 (G), and 'Current account balance' in Note 17 and Note 11] are based on the financial statements of the firms as prepared by the management and presented to us on which we have relied.
- (b) Note 13 (footnote d) regarding the Company's investments aggregating ₹ 860.20 lacs, loans and advances aggregating ₹ 104,981.29 lacs in certain subsidiaries, jointly controlled entities and associates which have incurred losses and also have negative net worth as at the year end. As explained in the said Note, the investments in these entities are considered strategic and long term in nature, and the underlying projects in these entities are at an early stage of real estate development and in the opinion of the management, have current market values of certain properties significantly in excess of carrying values and are expected to achieve adequate profitability on substantial completion of their projects.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003' as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004' (hereinafter referred to as 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 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 Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) 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;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) on the basis of the written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Doshi Doshi and Associates
Firm Registration Number: 121773W
Chartered Accountants

Dinesh Doshi
Partner
Membership No.: F-9464

Mumbai: May 29, 2014

ANNEXURE TO AUDITORS' REPORT

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) 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. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
- (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company, during the year;
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable;
- (b) 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;
- (c) 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;
- iii. The Company has not granted/taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956;
- iv. 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 weaknesses in internal control system of the Company;
- v. (a) 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 in the register maintained under Section 301 have been so entered;
- (b) 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 mainly for reimbursement of actual expenses and hence the question of comparable market price does not arise;
- vi. 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 applicable 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 against the Company in respect of the aforesaid deposits;
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business;
- viii. 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;
- ix. (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 sales tax, income tax deducted at source, works contract tax and service tax, the Company is generally regular in depositing undisputed statutory dues including wealth tax, 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 ₹12,06,07,661, Maharashtra VAT and works contract tax of ₹1,52,12,743 and service tax of ₹1,93,81,921 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 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 not Deposited ₹ in lacs	Forum where dispute is pending
Income Tax Act 1961:			
Income Tax	2010-2011	431.40	Commissioner of Income Tax (Appeals) (Preferred by the Company)
Income Tax	2009-2010	6.46	Income Tax Appellate Tribunal (Preferred by income tax Authorities)
Income Tax	2003-2004	17.48	High Court (Preferred by income tax Authorities)
Income Tax	2004-2005	21.30	High Court (Preferred by income tax Authorities)
Income Tax	2005-2006	20.92	High Court (Preferred by income tax Authorities)
Maharashtra Value Added Tax	2008-2009	92.94	Deputy Commissioner of Sales tax (Preferred by the Company)

Note: Appeals pending at admission stage with appellate bodies are not considered in the above list.

ANNEXURE TO AUDITORS' REPORT (CONTD.)

- x. 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;
- xi. On the basis of the records examined by us and the information and explanations given to us, the Company has delayed in repayment of dues to banks, financial institutions and debentureholders. Attention is invited to footnote "j" to Note 5 with regards to banks and financial institutions and footnote "c" to Note 11 with regards to debentures, for the amounts and period of delays in payment of principal and interest thereon;
- xii. 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;
- xiii. 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;
- xiv. 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;
- xv. 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, considering the circumstances, not prejudicial to the interest of the Company;
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which the loans were raised;
- xvii. 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;
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies entered in the Register maintained under Section 301 of the Companies Act, 1956;
- xix. According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures;
- xx. The Company has not raised any money by public issue during the year; and
- xxi. 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 and Associates
Firm Registration Number: 121773W
Chartered Accountants

Dinesh Doshi
Partner
Membership No.: F-9464

Mumbai: May 29, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As At 31 March, 2014 (₹ in lacs)	As At 31 March, 2013 (₹ in lacs)
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	7,273.59	7,273.59
Reserves and surplus	4	161,943.66	158,554.08
		169,217.25	165,827.67
Non-current liabilities			
Long-term borrowings	5	50,417.61	66,476.47
Long-term trade payables	6	1,156.85	1,150.11
Other Long-term Liabilities	7	1,732.54	1,687.18
Long-term provisions	8	62.30	60.38
		53,369.30	69,374.14
Current liabilities			
Short-term borrowings	9	40,312.90	38,762.11
Trade payables	10	7,609.35	8,145.60
Other current liabilities	11	111,544.40	95,453.52
Short-term provisions	8	893.90	877.50
		160,360.55	143,238.73
Total		382,947.10	378,440.54
II. ASSETS			
Non-current assets			
Fixed assets :	12		
Tangible assets		2,299.96	2,492.46
Intangible assets		70.56	164.49
Capital work-in-progress		—	66.09
Non-current investments	13	71,427.77	75,625.94
Deferred tax asset (Net)	14	3,500.00	1,203.53
Long-term loans and advances	15	42,833.69	18,402.20
Other non-current assets	16	7,101.82	7,736.71
		127,233.80	105,691.42
Current assets			
Current investments	17	19,016.01	17,048.72
Inventories	18	76,158.83	76,972.71
Trade receivables	19	12,907.74	8,666.83
Cash and bank balances	20	2,440.58	4,281.30
Short-term loans and advances	15	116,218.91	137,820.05
Other current assets	16	28,971.23	27,959.51
		255,713.30	272,749.12
Total		382,947.10	378,440.54

The accompanying notes 1 to 41 are an integral part of the Financial Statements.

As per our report of even date

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

DINESH DOSHI
PARTNER

Mumbai
Date: 29th May, 2014

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
I. INCOME			
Revenue from operations	21	48,611.64	41,689.48
Share of profit / (loss) from joint ventures and partnership firms (Net)		(847.54)	3,282.76
		47,764.10	44,972.24
Other income	22	3,923.88	8,923.86
Total		51,687.98	53,896.10
II. EXPENSES			
Costs of construction / development	23	12,612.46	12,803.39
Changes in inventories of work-in-progress, finished properties and FSI	24	665.51	(6,611.91)
Employee benefits expense	25	1,734.39	1,328.73
Finance costs	26	30,464.98	35,016.21
Depreciation and amortisation	27	556.79	573.43
Other expenses	28	3,770.95	8,014.37
Total		49,805.08	51,124.22
Profit before tax		1,882.90	2,771.88
Tax expense :			
Current tax		(117.50)	—
Excess / (Short) provision for taxation in respect of earlier years		(520.47)	(24.45)
Deferred tax (charge) / credit		2,296.47	310.92
Profit after tax but before adjustments		3,541.40	3,058.35
Prior period adjustments (Net)	29	2.80	7.52
Profit for the year		3,544.20	3,065.87
Earning per equity share of nominal value of ₹ 10/- each (in ₹)	30		
Basic and diluted		4.87	4.22

The accompanying notes 1 to 41 are an integral part of the Financial Statements.

As per our report of even date

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

DINESH DOSHI
PARTNER

Mumbai
Date: 29th May, 2014

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit before taxation, prior period items and extraordinary item as per Statement of Profit and Loss	1,882.89	2,771.88
Add / (Less) :		
Finance costs	30,464.97	35,016.21
Share of (Profit) / Loss from investment in partnership firms and JVs	847.54	(3,282.76)
Profit on sale of investments in subsidiaries, JVs, etc. developing real estate projects (Net)	(368.34)	(3,086.66)
Depreciation and amortisation	556.79	573.42
Provision for doubtful advances and bad debts	—	35.00
Provision for diminution in value of investments	—	1.58
Amortisation of expenditure incurred in joint venture projects	—	4,849.68
Prior period adjustments (Net)	2.80	7.52
Advances and other debit balances written off	0.18	42.55
(Profit) / Loss on sale of fixed assets (Net)	(1.52)	—
(Profit) / Loss on sale of investments (Net)	3.45	(41.86)
Provisions no longer required	(1,046.39)	(193.90)
Dividend from current investments	(5.36)	(700.00)
Interest income	(15,418.67)	(18,880.58)
Operating profit before working capital changes	15,035.45	14,340.20
Add / (Less) :	16,918.34	17,112.08
(Increase) / Decrease in inventories	991.40	(7,031.85)
(Increase) / Decrease in trade and other receivables (including current investments)	(778.62)	(12,477.90)
Increase / (Decrease) in trade and other payables	12,142.50	11,992.64
Direct taxes paid	(1,435.85)	(708.16)
Net cash flow from operating activities	10,919.43	(8,225.27)
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Dividend from current investments	5.36	700.00
Interest income received	15,183.14	18,758.66
(Increase) / Decrease in loans and advances	(6,482.50)	14,193.60
(Increase) / Decrease in advances towards share application	116.46	4,143.42
(Increase) / Decrease in deposits more than three months	(140.68)	1,376.22
Purchase of fixed assets, including capital work-in-progress	(29.74)	(954.67)
Proceeds from Sale of fixed assets	16.69	0.08
Purchase of Long term / Current investments (Net)	1,381.03	(4,210.94)
Net cash flow from investing activities	10,049.76	34,006.37
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Increase / (Decrease) in long term and short term borrowings	(10,250.32)	(10,858.92)
Finance costs paid	(29,308.85)	(31,258.99)
Dividend paid	(127.36)	(727.36)
Dividend tax paid	(21.64)	(4.44)
Net cash flow from financing activities	(39,708.17)	(42,849.71)
Net increase in cash and cash equivalents (I + II + III)	(1,820.64)	43.47
Add: Balance at the beginning of the year	3,378.20	3,334.73
Cash and cash equivalents at the end of the year	1,557.56	3,378.20
Components of cash and cash equivalents (Refer Note 20)		
Cash and cash equivalents:		
Cash on hand	22.90	24.51
Balances with banks		
- in Current accounts	857.02	2,152.12
- in Deposits with maturity of less than three months	677.64	1,201.57
	1,557.56	3,378.20

Footnote:

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

DINESH DOSHI
PARTNER

Mumbai
Date: 29th May, 2014

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

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MANAGING DIRECTOR

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE '1' : CORPORATE INFORMATION

Hubtown Limited is a listed public limited Company domiciled in India, incorporated under The Companies Act, 1956. The Company is engaged in real estate business of construction and development of Residential and Commercial Premises, SEZs, Biotech Park, 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 recognized in the period in which the results are known / materialized.

III. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured and also when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

A. Revenue from sale of properties / rights

- i. Revenue from sale of 'finished properties / buildings / rights' is recognised on transfer of all significant risks and rewards of ownership of such properties / buildings / rights, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sale contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.

- ii. For projects commenced and period where revenue recognised before April 1, 2012:

Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met:

- a. 25% of the total estimated construction and development costs of the project; and
- b. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

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 recognized in the financial statements for the period in which such changes are determined.

- iii. For projects commenced on or after April 1, 2012 and also to projects which have already commenced but where revenue is being recognised for the first time on or after April 1, 2012:

Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met;

- a. All critical approvals necessary for the commencement of the project have been obtained;
- b. The expenditure incurred on construction and development costs, excluding land costs, is not less than 25% of the total estimated construction and development costs of the project;
- c. Atleast 25% of the saleable project area is secured by agreements with the buyers; and
- d. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '2' : (Contd.)

Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed on the Company by statutory authorities is postponed till such obligations are substantially discharged.

Estimated costs relating to construction / development are charged to the Statement of Profit and Loss in proportion with the revenue recognized 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 recognized in the aforesaid manner.

- iv. The Company has adopted the principles of revenue recognition on the basis of "Guidance note on Accounting Treatment for Real Estate transactions (Revised 2012)" issued by the Institute of Chartered Accountants of India, for all projects on which revenue recognition was not commenced till 31 March, 2012. Revenue recognition policy on real estate transactions, which was followed prior to 31 March, 2012 is continued to be followed on such erstwhile projects. There is no impact on the current year profits on account of such change in revenue recognition policy.
- v. Losses expected to be incurred on projects under construction, are charged in the Statement of Profit and Loss in the period in which the losses are known.
- vi. Costs of the projects are based on the management's estimate of the costs 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.
- vii. 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:

Revenue from 'project management services' are recognized based on the agreements between the Company and the parties, to whom such 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, which is considered as a part of other operating activity.

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 recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

F. Others:

Other revenues / incomes and costs / expenditure are 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 investments' 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 five years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '2' : (Contd.)

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 of materials at Site' includes cost of purchase, other costs incurred in bringing them to their respective present location and condition. Cost formula used is average cost.
- B. 'Incomplete Projects' include cost of incomplete properties for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate directly to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure 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 investments' 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 investments' 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'.
- D. Value of 'Floor Space Index' (FSI) generated is recognized as inventory at cost (i.e. Proportionate Rehab Component Cost) as and when necessary obligations / conditions are fulfilled in entirety, which are imposed on the Company by statutory authorities (viz. Rehabilitation Authority, etc.), in lieu of which the FSI is allotted to the Company. The value of FSI is either carried as inventory (at cost) held for intended sale or with the intention to utilise in construction of projects undertaken for sale.

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. Investments

- A. Investments are classified into Current and Non Current / 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 recognize decline, other than temporary, in the value of long term investments.
- B. Current Account in Partnership Firms and Joint Ventures represents additional contribution, share of profits and losses and excess withdrawal of funds. Additional Contribution and share of profits to the extent not withdrawn is carried as 'Current Investment in Partnership Firms and Joint Ventures' under Current / Non-Current Investment as the case may be. Excess withdrawals and share of losses are booked under Other Current Liabilities.

VIII. Operating Cycle

Receivables and Payables in relation to operations (Projects) are considered as Current Assets and Current Liabilities as the case may be considering the nature of real estate business of the Company, unless otherwise provided by an agreement.

All other Assets and Liabilities have been classified as provided in Revised Schedule VI, issued by the Institute of Chartered Accountants of India.

IX. Employee benefits

- A. Short term employee benefits are recognized 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 recognized during the year in which the related service is rendered;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '2' : (Contd.)

- ii. Defined benefit plans: The present value of 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 recognized in a manner similar to defined benefit plans;
- D. Termination Benefits are recognized as an expense in the Statement of Profit and Loss for the year in which they are incurred;
- E. Actuarial gains / losses are recognized in 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 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 prevalent on the dates of the relevant transactions.
- B. Monetary assets and liabilities in foreign currency, outstanding as on the Balance Sheet date, are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.
- C. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

XII. Segment reporting

The Company is engaged in the business of Real Estate Development, which as per Accounting Standard - 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 the 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 recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

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

In case, the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is 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 recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '3'		
SHARE CAPITAL		
AUTHORISED		
125,000,000 (P.Y. 125,000,000) Equity Shares of ₹ 10/- each	12,500.00	12,500.00
	12,500.00	12,500.00
ISSUED, SUBSCRIBED AND PAID UP		
72,735,871 (P.Y. 72,735,871) Equity Shares of ₹ 10/- each fully paid up	7,273.59	7,273.59
Total	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	72,735,871	72,735,871
Add/(Less) :		
Issued during the year	—	—
Buyback during the year	—	—
Conversion during the year	—	—
At the end of the year (Nos.)	72,735,871	72,735,871

	31 March, 2014		31 March, 2013	
	Nos.	% of Holding	Nos.	% of Holding
b. Equity shareholders holding more than five percent shares in the Company				
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%
Hemant M. Shah with Vyomesh M. Shah	600,000	0.82%	600,000	0.82%
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%
Kunjal 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	26,535,871	36.48%	26,535,871	36.48%
Total	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 the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '4'		
RESERVES AND SURPLUS		
Securities premium account	60,716.12	60,716.12
Debenture redemption reserve (Refer footnote a)		
Balance as per last Balance Sheet	10,475.00	10,475.00
Add / (Less) :		
Amount transferred from surplus balance in the Statement of Profit and Loss	3,000.00	—
Amount transferred to general reserve	—	—
	13,475.00	10,475.00
General reserve	19,520.00	19,520.00
Add / (Less) :		
Amount transferred from debenture redemption reserve	—	—
Amount transferred from surplus balance in the Statement of Profit and Loss	—	—
	19,520.00	19,520.00
Surplus in the Statement of Profit and Loss		
Balance as per last Balance Sheet	67,842.96	65,508.89
Profit for the year	3,544.20	3,065.87
Tax Credit on proposed equity dividend (Refer footnote b)	—	113.56
Reversal of proposed equity dividend and tax thereon (Refer footnote c)	696.35	—
Less : Appropriations :		
Proposed equity dividend (Refer footnote d)	727.36	727.36
Tax on proposed equity dividend	123.61	118.00
Transfer to debenture redemption reserve (Refer footnote a)	3,000.00	—
Transfer to general reserve	—	—
Total appropriations	3,850.97	845.36
Net surplus in the Statement of Profit and Loss	68,232.54	67,842.96
Total	161,943.66	158,554.08

Footnotes:

- During the year, the Company transferred an amount of ₹ 3,000.00 Lacs (P.Y. ₹ Nil) to debenture redemption reserve in accordance with the provisions of Section 117C of the Companies Act, 1956.
- During the previous year, one of the subsidiaries of the Company has declared and paid dividend of ₹ 700.00 lacs . The Company has availed a credit of Dividend Distribution Tax on the dividend received from the subsidiary u/s 115 O(1A) of Income Tax Act, 1961.
- In view of the liquidity crunch faced by the Company, and in order to conserve the scarce liquid resources, at the request of the promoters and the promoter group, the Board of Directors of the Company in its meeting held on September 30, 2013 recommended a dividend of ₹ 1/- per share for the year ended March 31, 2013 only on equity shares (12,735,871 equity shares) held by non-promoter shareholders i.e. other than on the equity shares (60,000,000 equity shares) held by the promoters/promoter group. Accordingly, a dividend of ₹ 1/- per share was declared on 12,735,871 equity shares at the Twenty Fifth Annual General Meeting of the Company held on September 30, 2013. The excess provision for dividend and dividend tax thereon amounting to ₹ 696.35 lacs no longer required has been written back.
- The Board of Directors has recommended a dividend of ₹ 1/- per equity share of face value of ₹ 10/- per share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- The Company has not invested / deposited ₹ 2,826.41 lacs (P.Y. ₹ 3,162.68 lacs) in specified liquid funds as per the requirement of General Circular No. 4/2013 dated 11/02/2013 issued by the Ministry of Corporate Affairs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	Non Current Portions		Current Maturities	
	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '5'				
LONG-TERM BORROWINGS				
Debentures (Secured) :				
7,999 (P.Y. 7,999) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote a)	—	2,904.19	2,904.19	3,872.25
10,000 (P.Y. Nil) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote b)	—	—	10,000.00	—
2,500 (P.Y. 2,500) Redeemable, non-convertible debentures of the face value of ₹ 1,00,000 each (Refer footnote c)	—	—	2,500.00	2,500.00
C.Y. Nil (P.Y. 1,000) Redeemable, non-convertible debentures of the face value of ₹ 1,00,000 each	—	—	—	4,712.29
Term Loans (Secured) :				
From banks (Refer footnote d)	50,396.75	60,827.69	30,478.21	23,957.71
From financial institution (Refer footnote e)	—	500.00	1,461.44	2,350.00
From a company (Refer footnote f)	—	1,450.00	1,450.00	—
Deposits (Unsecured): (Refer footnote g)				
From related parties (Refer Note 34)	—	643.40	687.90	74.50
From public	—	119.03	202.18	98.90
Other loans and advances:				
Loan from others (Secured) (Refer footnote h)	20.86	32.16	41.25	77.15
Loan from others (Unsecured)	—	—	—	384.74
	50,417.61	66,476.47	49,725.17	38,027.54
The above amounts include :				
Secured borrowings	50,417.61	65,714.04	48,835.09	37,469.40
Unsecured borrowings	—	762.43	890.08	558.14
Amount disclosed under "Other Current Liabilities" (Refer Note '11')	—	—	(49,725.17)	(38,027.54)
Total	50,417.61	66,476.47	—	—

Footnotes:

- 4499, 18.50% Debentures & 3000, 25.17% Debentures having redeemable balance of ₹ 36,000 each and 500, 18.50% Debentures having redeemable balance of ₹ 40,909 each are to be redeemed in nine equal monthly instalments, the last installment falls due on 22nd December, 2014. These debentures are secured by a 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 of Hubtown Limited.
- 20 % Debentures of ₹ 10,000.00 lacs (P.Y. 12 % ₹ 10,000.00 lacs Unpaid Matured Debentures) has been restructured as per consent terms dated 08th August, 2013 to be redeemed on or before 31st July, 2014. The said debentures are secured by first and exclusive charge on the premises located at MIDC, Andheri (East), Mumbai. Further, attention is invited to footnote (c) of Note 11 with regard to previous year figure.
- 21% Debentures of ₹ 2,500.00 lacs are redeemable in February 2015. These debentures are secured by mortgage on the immovable properties located at Balewadi, Pune.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

- d. Secured term loans from banks carry interest rates within a range of 13.50% to 17.25%. 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 located at Bandra, Mumbai. ii. First charge by way of escrow of receivables from above projects.
2. Bank of Maharashtra	i. Mortgage on land and structures at projects located in Andheri (East), Bandra (East), Mumbai and Pune. ii. First charge by way of escrow of receivables from above projects.
3. UCO Bank	i. Mortgage on land and structures thereto in respect of projects at Thane. ii. Registered mortgage of the premises in the project located at Andheri (East), Mumbai. iii. First charge of lease rent receivables from above premises.
4. Dena Bank	i. Mortgage of unsold area of commercial project at Andheri (East), Mumbai. ii. First charge by way of escrow of receivables from above project. iii. Registered mortgage of the premises in the project located at Mahalaxmi, Mumbai. iv. First charge of lease rent receivables from above premises.
5. Indusind Bank	i. Registered mortgage of the premises in the project located at Andheri (East), Mumbai. ii. First charge of lease rent receivables from above premises.
6. Oriental Bank of Commerce	i. Mortgage of unsold units of residential projects located in Andheri (East). ii. First charge by way of escrow of receivables from above projects.
7. Union Bank of India	i. Registered mortgage of the premises in the project located at Andheri (East) and Mahalaxmi. ii. First charge of lease rent receivables from above premises.
8. United Bank of India	i. Registered mortgage of the premises in the project located at Andheri (East). ii. First charge of lease rent receivables from above premises.

- e. Secured loan from a financial institution carries interest rate of 17.5%. This loan is secured against pledge of equity shares in the Company held by the promoters alongwith personal guarantees of promoters and premises in the project located at Andheri (East), Mumbai.
- f. Secured loans from a company carry interest rate of 18%. These loans are secured against pledge of equity shares in the Company held by the promoters alongwith personal guarantees of promoters and secured against premises in the project located at Andheri (East), Mumbai.
- g. Unsecured public deposits carry interest rates within a range of 10.50% to 11.00%. The same will become repayable within a year.
- h. Secured loans of ₹ 62.11 lacs are vehicle loans from others, which carry interest rates within a range of 10% to 11% and will be repaid between December, 2015 to January, 2019.
- i. Details of repayment of long term borrowings are as follows :

Particulars	Up to 1 year	2 to 5 years	Above 5 years	Total
Term loans from Banks	30,478.21	34,892.98	15,503.77	80,874.96
Term loan from Financial Institution	1,461.44	—	—	1,461.44
Term loan from a company	1,450.00	—	—	1,450.00
Loan from Others	41.25	20.86	—	62.11
Total	33,430.90	34,913.84	15,503.77	83,848.51

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

Particulars	31 March, 2014		31 March, 2013	
	₹ in lacs	Period	₹ in lacs	Period
Term loans from Banks				
Overdue instalments	1,247.53	Sep 13 to Mar 14	—	—
Interest	1,238.45	Dec 13 to Mar 14	—	—
Term loan from Financial Institution				
Overdue instalments	961.44	Dec 13 to Mar 14	—	—
Interest	—	—	—	—
Term loan from Company				
Overdue instalments	—	—	—	—
Interest	36.76	Nov 13 to Mar 14	—	—
Total	3,484.18		—	

- k. The Company has not provided for interest and allied costs or accounted for liabilities on funds received from the debenture holders. The Company is in the process of negotiating with the debenture holders and the impact, if any, on the financials of the Company after the conclusion of the negotiations is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '6'

LONG TERM TRADE PAYABLES

Trade payables

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
	1,156.85	1,150.11
Total	1,156.85	1,150.11

NOTE '7'

OTHER LONG TERM LIABILITIES

Advances against land procurement

Security Deposits from customers

	1,390.45	1,390.45
	342.09	296.73
Total	1,732.54	1,687.18

NOTE '8'

PROVISIONS

Provisions for Employee Benefits

Provision for gratuity (Refer footnote)
[Net of plan assets ₹ 137.50 lacs; (P.Y ₹ 191.64 lacs)]

Provision for leave benefit (Net)

Other Provisions

Provision for wealth tax

Proposed equity dividend

Provision for tax on equity dividend

	Long Term		Short Term	
	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
	—	—	33.74	25.79
	62.30	60.38	6.57	1.57
	—	—	2.62	4.78
	—	—	727.36	727.36
	—	—	123.61	118.00
Total	62.30	60.38	893.90	877.50

Footnote:

An amount of ₹ 54.20 lacs (P.Y. ₹ 57.91 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

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
	217.44	260.69
	28.09	32.91
	14.84	20.79
	(66.03)	(64.81)
	(23.11)	(32.14)
	171.23	217.44

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
<u>Change in Plan Assets :</u>		
Fair value of Plan Assets at the beginning of the year	191.64	179.18
Adjustment to Opening Fair Value of Plan Assets	0.16	-
Expected return on Plan Assets	14.30	16.44
Actuarial Gain / (Loss)	0.18	(1.09)
Contributions	(66.03)	29.25
Benefits paid	(2.76)	(32.14)
Fair value of Plan Assets at the end of the year	137.49	191.64
<u>Experience Analysis - Liabilities</u>		
Actuarial (Gain)/Loss due to change in bases	(22.45)	2.18
Experience (Gain) / Loss due to change in experience	(0.66)	(66.99)
<u>Experience Analysis - Plan Assets</u>		
Experience (Gain) / Loss due to change in Plan Assets	2.76	1.09
<u>Reconciliation of present value of the obligation and the fair value of Plan Assets and amounts recognized in the Balance Sheet:</u>		
Present value of the obligation at the end of the year	171.23	217.44
Fair value of Plan Assets at the end of the year	137.49	191.64
Net liability recognized in the Balance Sheet	(33.74)	(25.80)
<u>Gratuity cost recognised for the year :</u>		
Expected rate of return on Plan Assets	9.00%	9.25%
Current service cost	28.09	32.91
Interest cost	14.84	20.79
Expected return on Plan Assets	(14.30)	(16.44)
Actuarial Gain / (Loss)	(20.35)	63.73
Net gratuity cost	8.28	100.99
<u>Investment details of Plan Assets (Investments with Insurer):</u>		
Government Securities	48.54%	42.60%
Bonds / NCDs	31.90%	37.26%
Equity Shares	5.08%	4.66%
Fixed Deposits and Margin Money Deposits	14.48%	15.48%

Assumptions:	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
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	9.20%	8.05%	8.50%	8.30%	8.00%
Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%	5.00%
Withdrawal plan	1.00%	1.00%	1.00%	3.00%	3.00%
Present value of obligations (₹)	171.23	217.44	260.67	180.62	139.05
Fair value of Plan Assets (₹)	137.49	191.64	179.17	160.07	109.96
Surplus / (Deficit) in the Plan (₹)	(33.74)	(25.80)	(81.50)	(20.55)	(29.09)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '9'

SHORT TERM BORROWINGS

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Working capital loans from banks (Secured) (Refer footnote a)	1,484.67	1,630.71
Short term loans :		
- from companies (Secured) (Refer footnote b)	7,444.00	12,200.00
Loans repayable on demand:		
- from a company (Secured) (Refer footnote c)	1,447.78	—
- from companies (Unsecured) (Refer footnote d)	12,970.00	17,052.00
- from others (Unsecured) (Refer footnote d)	12,600.00	7,520.00
Deposits (Unsecured): (Refer footnote e)		
- from public	150.75	228.00
Loan from related party (Unsecured) (Refer footnote f) (Refer Note 34)	4,215.70	131.40
	40,312.90	38,762.11
The above amounts include :		
Secured borrowings	10,376.45	13,830.71
Unsecured borrowings	29,936.45	24,931.40
Total	40,312.90	38,762.11

Footnotes:

- Working capital loans from banks carry interest rate of 15.44 % These loans are secured against mortgage of premises located at MIDC, Andheri (East), Mumbai and further secured by personal gurantee of one or more promoters.
- Secured short term loans from companies carry interest rate of 17% to 21% repayable within a year. These loans are secured against mortgage of unsold area of commercial and residential projects at Andheri (East) and Worli, land situated at Uran (Raigad), pledge of equity shares in the Company held by the promoters and their family members and further secured by personal guarantees of one or more promoters.
- Secured loan from a company carries interest rate of 21% and is repayable on demand. This loan is secured against a mortgage of unsold area of commercial project at Andheri (East).
- Unsecured loans from companies and others carry interest rates within a range of 15% to 36% and are repayable on demand.
- Unsecured short term public deposits carry an interest rate of 10%. The same will become due as per the respective maturity dates.
- Unsecured loan taken from related party carries interest rate of 20.25% and is repayable on demand.
- Period and amount of default as on balance sheet date in repayment of term loans and interest :

Particulars	31 March, 2014		31 March, 2013	
	(₹ in lacs)	Period	(₹ in lacs)	Period
Short term loans from companies				
Overdue instalments	5,000.00	Mar-14	—	
Interest	518.90	Dec 13 to Mar 14	—	
Total	5,518.90		—	

NOTE '10'

TRADE PAYABLES

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Trade Payables (Refer footnotes)	7,609.35	8,145.60
Total	7,609.35	8,145.60

Footnotes:

Details of dues to Micro, Small and Medium Enterprises as defined under Micro Small Medium Enterprises Development Act, 2006 :

- 'Trade payables' in Note 10 includes ₹ 2.28 lacs (P.Y. ₹ 38.12 lacs) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- No interest was paid / payable to micro and small enterprises during the year.
- The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of parties under the MSMED Act and has been relied upon by the auditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '11'

OTHER CURRENT LIABILITIES

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Current maturities of long-term debts (Refer Note 5)	49,725.17	38,027.54
Interest accrued and due on borrowings (Refer foot note a)	7,103.45	3,876.40
Interest accrued but not due on borrowings	81.85	8.66
Overdrawn bank balances as per books of account	138.53	256.41
Income received in advance (advances from customers) (Refer foot note b)	30,220.66	27,274.89
Unpaid matured debentures and interest accrued thereon (Refer footnote c)	3,035.68	14,356.95
Investor Education and Protection Fund will be credited by the following amounts (as and when due):		
- Unclaimed/unpaid dividends	4.80	4.40
Other payables :		
- Statutory dues	4,135.29	3,302.84
- Current account balance in firms and joint ventures	1,531.88	1,601.04
- Employees benefits payables	8.60	12.02
- Security Deposits (Refundable)	8,585.37	1,285.37
- Other miscellaneous (Refer footnote d)	6,973.12	5,447.00
Total	111,544.40	95,453.52

Footnotes:

- Interest accrued and dues includes ₹ 346.73 lacs (P.Y. ₹ 79.44 lacs) due to related parties. Further, attention is invited to Note 34.
- Income received in advance (advances from customers) includes ₹ 1,061.00 lacs (P.Y. ₹ 1,061.00 lacs) received from related parties. Further, attention is invited to Note 34.
- Period and amount of default as on the Balance Sheet date in respect of matured debentures and interest accrued thereon :

	31 March, 2014		31 March, 2013	
	(₹ in lacs)	Period	(₹ in lacs)	Period
Overdue Installments:				
1,000 (P.Y. Nil) Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each (Refer note i)	211.85	Dec-13	—	—
7,999 (P.Y. Nil) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer note ii)	2,296.13	Jul-13	—	—
10,000 Redeemable non-convertible debentures of the face value of ₹ 100,000 each	—	—	10,000.00	Mar-13
Interest:				
7,999 (P.Y. Nil) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer note ii)	527.70	Jul-13	—	—
10,000 Redeemable non-convertible debentures of the face value of ₹ 100,000 each	—	—	4,356.95	Mar-13
	3,035.68		14,356.95	

Note :

- 1,000 17% Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each, secured by mortgage / charge on the immovable properties located at Jogeshwari (East), Mumbai, first charge of the premises on 3rd floor in the project located at Andheri (East) and by pledge of equity shares held by promoters and their family members in the Company.
 - 4,999 18.50% Debentures & 3000, 25.17% Debentures, 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.
- d. Other miscellaneous includes ₹ 1,171.01 lacs (P.Y. ₹ 1429.16 lacs) due to related parties. Further, attention is invited to Note 34.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '12'

FIXED ASSETS

(₹ in lacs)

SR. NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 31 March, 2013	Additions / Adjustments during the year	Deductions / Adjustments	As at 31 March, 2014	Upto 31 March, 2013	Provided during the year	Deductions / Adjustments	Upto 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
A.	Tangible Assets										
	Leasehold land	765.87	—	—	765.87	75.74	25.53	—	101.27	664.60	690.13
	Commercial premises (Refer footnote)	1,144.72	—	—	1,144.72	134.08	49.06	—	183.14	961.58	1,010.64
	Mivan system	419.67	—	53.28	366.39	359.31	26.81	53.28	332.84	33.55	60.36
	Computers and laptops	12.02	4.70	—	16.72	5.43	3.65	—	9.08	7.64	6.59
	Furniture and fixtures	409.65	50.58	—	460.23	149.89	56.59	—	206.48	253.75	259.76
	Vehicles	909.61	39.86	83.57	865.90	515.08	101.67	68.41	548.34	317.56	394.53
	Office equipment	93.64	0.69	—	94.33	23.19	9.86	—	33.05	61.28	70.45
	Total A	3,755.18	95.83	136.85	3,714.16	1,262.72	273.17	121.69	1,414.20	2,299.96	2,492.46
B.	Intangible Assets										
	Computer softwares	519.16	—	—	519.16	354.67	93.93	—	448.60	70.56	164.49
	Total B	519.16	—	—	519.16	354.67	93.93	—	448.60	70.56	164.49
	GRAND TOTAL (A + B)	4,274.34	95.83	136.85	4,233.32	1,617.39	367.10	121.69	1,862.80	2,370.52	2,656.95
	Previous Year	4,155.27	119.58	0.51	4,274.34	1,189.28	425.30	(2.81)	1,617.39	2,656.95	2,965.99
C.	Capital work-in-progress									—	66.09

Footnote:

Commercial premises includes cost of shares aggregating ₹ 0.04 lacs (P.Y. ₹ 0.04 lacs) carrying the occupancy rights in the commercial premises.

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)

Acquisition of Investment Property

Transferred to cost of construction on sale

Opening accumulated depreciation / amortisation

Provided during the year

Deduction on account of sale / transferred / adjustment

Closing accumulated depreciation / amortisation

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
5,168.71	4,399.71
—	769.00
(284.86)	—
4,883.85	5,168.71
512.80	367.92
189.69	144.88
(107.34)	—
595.15	512.80
4,288.70	4,655.91

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (UNQUOTED) (Contd.)

(Trade, unless otherwise specified)

B) Investment in equity instruments (At cost)

I) Subsidiary Companies (Fully paid up equity shares)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
a) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Adhivitiya Properties Limited	5.00	5.00
b) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Diviniti Projects Private Limited	5.00	5.00
c) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Vama Housing Limited	5.00	5.00
d) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Vishal Techno Commerce Limited	5.00	5.00
e) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Arnav Gruh Limited	5.00	5.00
f) 25,510 Equity shares of ₹ 10/- each (P.Y. 25,510) Vishal Nirman (India) Limited	2.55	2.55
g) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Sheshan Housing and Area Development Engineers Limited	5.00	5.00
h) 4,720 Equity shares of ₹ 100/-each (P.Y. 4,405) Heet Builders Private Limited	652.82	72.21
i) 100,000 Equity shares of ₹ 10/- each (P.Y. 100,000) Halitious Developer Limited	600.00	600.00
j) 50,000 Equity shares of ₹ 10/- each (P.Y. 45,000) Devkrupa Build Tech Limited	5.00	4.50
k) 37,000 Equity shares of ₹ 10/- each (P.Y. 37,000) Gujarat Akruti - TCG Biotech Limited	3.70	3.70
l) 50,000 Equity shares of ₹ 10/-each (P.Y. 47,500) Urvi Build Tech Limited	5.00	4.75
m) 36,215 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 36,215) Akruti Safeguard Systems Private Limited	72.43	72.43
n) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Yantti Buildcon Private Limited	5.00	5.00
o) 9,000 Equity shares of ₹ 10/- each (P.Y. 9,000) Upvan Lake Resorts Private Limited	0.90	0.90
p) 10,000 Equity shares of ₹ 10 each (P.Y. 10,000) Merrygold Buildcon Private Limited	1.00	1.00
q) 300,000 Equity shares of ₹ 100 each (P.Y. 1,000) Vega Developers Private Limited	300.00	1.00
r) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) ABP Realty Advisors Private Limited	5.00	5.00
s) 10,000 Equity shares of ₹ 10/- each (P.Y. 10,000) Headland Farming Private Limited	1.00	1.00
t) 10,000 Equity shares of ₹ 10/- each (P.Y. 10,000) Hedde Knowledge Private Limited	1.00	1.00
u) 10,000 Equity shares of ₹ 10/- each (P.Y. 10,000) Heeler Hospitality Private Limited	1.00	1.00
v) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Citygold Education Research Limited	5.00	5.00
c/f	1,691.40	811.04

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (UNQUOTED) (Contd.)

(Trade, unless otherwise specified)

		31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
	b/f	1,691.40	811.04
w)	10,000 Equity shares of ₹ 10/- each (P.Y. 10,000) Citygold Farming Private Limited	1.00	1.00
x)	50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) India Development and Construction Venture Capital Private Limited	5.00	5.00
y)	12,431,045 (Class 'A') Equity shares of ₹ 10 /- each (P.Y. 12,431,045) Joynest Premises Private Limited	1,324.15	1,324.41
z)	Current year : Nil (Class 'B') Equity shares of ₹ 10 /- each (P.Y. 288,007) Joynest Premises Private Limited	—	31.66
aa)	52,558,955 (Class 'C') Equity shares of ₹ 10 /- each (P.Y. 52,558,955) Joynest Premises Private Limited	5,255.90	5,255.90
ab)	7,400 Ordinary Equity Shares of ₹ 10 /- each (P.Y. 7,400) Joynest Premises Private Limited	0.74	0.74
		8,278.19	7,429.75
II) Jointly Controlled Companies			
a)	50,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 50,000) Hubtown Bus Terminal (Mehsana) Private Limited	5.00	5.00
b)	100,000 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 100,000) Hubtown Bus Terminal (Mehsana) Private Limited	629.00	629.00
c)	50,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 50,000) Hubtown Bus Terminal (Vadodara) Private Limited	5.00	5.00
d)	115,275 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 100,000) Hubtown Bus Terminal (Vadodara) Private Limited	592.29	199.00
e)	Current Year : Nil (Class 'D') Equity shares of ₹ 10/- each (P.Y. 15,275) Hubtown Bus Terminal (Vadodara) Private Limited	—	393.29
f)	50,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 50,000) Hubtown Bus Terminal (Adajan) Private Limited	5.00	5.00
g)	115,463 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 100,000) Hubtown Bus Terminal (Adajan) Private Limited	1,057.49	479.00
h)	Current Year : Nil (Class 'D') Equity shares of ₹ 10/- each (P.Y. 15,463) Hubtown Bus Terminal (Adajan) Private Limited	—	578.49
i)	10,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 10,000) Hubtown Bus Terminal (Ahmedabad) Private Limited	1.00	1.00
j)	15,000 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 15,000) Hubtown Bus Terminal (Ahmedabad) Private Limited	2,132.00	2,132.00
k)	14,742 Equity shares of ₹ 10/- each (P.Y. 14,741) Hoary Realty Limited	9,505.11	9,504.10
l)	2,837,270 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 2,837,270) Rare Townships Private Limited	7,345.84	7,345.84
m)	425,000 (Class 'B') Equity shares of ₹ 10/- each (P.Y. 425,000) Rare Townships Private Limited	100.00	100.00
n)	25,000 Equity shares of ₹ 100/- each (P.Y. 25,000) Joyous Housing Private Limited (Formerly known as Joyous Housing Limited)	25.00	25.00
o)	129,000 Equity shares of ₹ 10/- each (P.Y. 129,000) Sunstream City Private Limited	12.90	12.90
		21,415.63	21,414.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (UNQUOTED) (Contd.)

(Trade, unless otherwise specified)

III) Associate Companies

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
a) 8,000 Equity shares of ₹ 10/-each (P.Y. 8,000) Pristine Developers Private Limited	0.80	0.80
b) Current year : Nil Equity shares of ₹ 10/- each (P.Y. 312,500) Glamorous Properties Private Limited	—	100.00
c) 25,000 Equity shares of ₹ 10/- each (P.Y. 25,000) Whitebud Developers Limited	2.50	2.50
d) 4,997 Equity shares of ₹ 10/- each (P.Y. 4,997) Citywood Builders Private Limited	0.50	0.50
e) 5,000 Equity shares of ₹ 10/- each (P.Y. 5,000) Harbinger Developers Private Limited	0.50	0.50
f) 4,350 Equity shares of ₹ 10 /- each (P.Y. 4,350) Yellowcity Builders Private Limited	0.44	0.44
g) 6,095 (Class 'A') Equity shares of ₹ 10 /- each (P.Y. 6,095) Vinca Developer Private Limited (Refer Footnote a)	0.61	0.61
h) 275,000 Equity shares of ₹ 10 /- each (P.Y. 275,000) Comral Realty Private Limited	27.71	27.71
i) Current year : others Equity Shares of ₹ 10/- each (P.Y. 2,600) Forefront Realty Private Limited	—	0.26
j) 24,000 Equity shares of ₹ 10/- each (P.Y. 24,000) Holiac Realty Private Limited	2.40	2.40
	35.46	135.72
Less: Provision for diminution in the value of investment	0.61	0.61
	34.85	135.11

IV) Others

a) 240 Equity shares of ₹ 100/- each (P.Y. 240) Citygold Management Services Private Limited	0.24	0.24
b) 6,000 (Class 'B') Equity shares of ₹ 50/- each (P.Y. 6,000) Hogmanay Niharika Buildings Limited	3.00	3.00
c) 7,353 (Class 'B') Equity Shares of ₹ 10 /- each (P.Y. 7,353) Giraffe Developers Private Limited	5,004.79	5,004.79
d) 37,815 Equity shares of ₹ 10/- each (P.Y. 37,815) Janakalyan Sahakari Bank Limited	3.78	3.78
e) 1,900 Equity shares of ₹ 10/- each (P.Y. Associate) Forefront Realty Private Limited	0.19	—
f) 1 Equity share of ₹ 10/- (P.Y. 1) E-Commerce Magnum Solution Limited	1.00	1.00
	5,013.00	5,012.81

Total (I+II+III+IV)

C) Investment in 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
b) 900,000 21% Cumulative redeemable preference shares of ₹ 100/- each (P.Y. Nil) Holiac Realty Private Limited	90.00	—
	110.00	20.00

c/f

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (UNQUOTED) (Contd.)

(Trade, unless otherwise specified)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
b/f	110.00	20.00
c) 1,865, 10% Non-Cumulative redeemable preference shares of ₹ 10/- each (P.Y. Nil) Hoary Realty Limited	0.19	—
d) 6,671, 21% Cumulative optionally convertible redeemable preference shares of ₹ 10/- each (P.Y. 6,671) E-Commerce Magnum Solution Limited	6,671.00	6,671.00
	6,781.19	6,691.00
D) Investment in Debentures (At Cost)		
a) 150,000 20 % Optionally convertible debentures of ₹ 5,000/- each (P.Y. 150,000) Giraffe Developers Private Limited (Refer footnote c)	7,500.00	7,500.00
b) 31,910,000 9% Optionally convertible debentures of ₹ 10/- each (P.Y. 31,910,000) Asmeeta Infratech Limited	3,191.00	3,191.00
c) C.Y. Nil 18% Optionally convertible debentures of ₹ 100,000/- each (P.Y. 1,500) Urvi Build Tech Limited	—	650.00
d) C.Y. Nil 18% Optionally convertible debentures of ₹ 100,000/- each (P.Y. 1,500) Devkrupa Build Tech Limited	—	10.00
	10,691.00	11,351.00
E) Investment in Mutual Funds (At cost) (Other than Trade)		
Growth Option		
a) 140,243.216 (P.Y. Nil) units of Canara Robeco Dynamic Bond Fund [NAV ₹ 13.7551 per unit (P.Y. Nil)]	19.00	—
b) Current year : Nil (P.Y. 399,056) units of Canara Robeco Gold Saving Fund [NAV ₹ Nil (P.Y. ₹ 9.7837 per unit)]	—	39.04
c) Current year : Nil (P.Y. 15,419.36) units of Canara Robeco Indigo Fund [NAV ₹ Nil (P.Y. ₹ 12.8927 per unit)]	—	1.99
	19.00	41.03
F) Investment in Bonds (at cost) (Other than trade)		
a) Cholamandalam Investments & Finance Co. Limited Current year : Nil (P.Y. 71) 12.90 % Bonds of ₹ 500,000/- each	—	355.00
	—	355.00
G) Capital Investment in Partnership Firms and Joint Ventures (Refer footnote d)	14,907.81	18,542.31
Less: Provision for diminution in the value of investments	1.60	2.60
	14,906.21	18,539.71
Total (A+B+C+D+E+F+G)	71,427.77	75,625.94
Aggregate amount of quoted investments	19.00	41.03
Aggregate amount of unquoted investments	71,408.77	75,584.91
Aggregate provision for diminution in value of investments:	2.21	3.21

Footnote:

- Investment property includes property of ₹ 769.00 lacs acquired from its subsidiary in earlier years, for which the Company is in the process of registering the same in its name.
- Diminution of ₹ Nil lacs (P.Y. 0.61 lacs) has been made for Investments.
- The face value of investment in the debentures of ₹ 7500.00 lacs represent the balance value of consideration of sale of development rights in earlier years receivable in future. Since the sale consideration was inclusive of profit and interest, no interest was charged separately on the debentures. However, in view of the inability of the Issuer to repay the balance outstanding amount of the debentures on the due date, an arrangement has been reached between the Company as debenture holder and the Issuer, whereby the Issuer has agreed to pay interest on the balance amount of the outstanding debentures @ 20 % p.a. with effect from April 1, 2013 till the date of redemption of the debentures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '13' (Contd.)

Footnote : (Contd.)

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

		Share in profits (%)	
		31 March, 2014	31 March, 2013
A) Partnership firms			
i. M/s Akruti Jay Developers			
Name of the Partners			
Hubtown Limited	66.66	66.66	
Hazel Erectors Limited	33.34	33.34	
Total Capital of the firm (₹ in lacs)	2,491.50	2,491.50	
ii. M/s Shreenath Realtors			
Name of the Partners			
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)	2,120.54	2,120.54	
iii. M/s Sole Builders			
Name of the Partners			
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)	Nil	Nil	
iv. M/s Akruti Kailash Constructions			
Name of the Partners			
Hubtown Limited	90.00	90.00	
Ketan D. Shah	10.00	10.00	
Total Capital of the firm (₹ in lacs)	0.58	0.58	
B) Joint ventures			
i. M/s Akruti Jay Chandan Joint Venture			
Name of the Co-Venturers			
Hubtown Limited	50.00	50.00	
Chandan Shanti Group of Companies	50.00	50.00	
Total Capital of the joint venture (₹ in lacs)	282.40	282.40	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '13' (Contd.)

Footnote : (Contd.)

d. Details of investments made in capital of partnership firms and joint ventures (Contd.)

		Share in profits (%)	
		31 March, 2014	31 March, 2013
ii.	M/s Akruti GM Joint Venture		
	Name of the Co-Venturers		
	Hubtown Limited	50.00	50.00
	GM Construction	50.00	50.00
	Total Capital of the joint venture (₹ in lacs)	910.00	910.00
iii.	M/s Primeria Joint Venture		
	Name of the Co-Venturers		
	Hubtown Limited	16.00	26.00
	Forefront Property Developers Private Limited	84.00	74.00
	Total Capital of the joint venture (₹ in lacs)	10.00	10.00
iv.	M/s Akruti Realty Forefront Combine		
	Name of the Co-Venturers		
	Hubtown Limited	90.00	90.00
	Forefront Property Developers Private Limited	10.00	10.00
	Total Capital of the joint venture (₹ in lacs)	435.20	435.20
v.	M/s Sunstone Developers Joint Venture		
	Name of the Co-Venturers		
	Hubtown Limited	5.00	5.00
	Swapanranjan Infrastructure Private Limited	95.00	95.00
	Total Capital of the joint venture (₹ in lacs)	100.00	100.00
vi.	M/s Gulati Estate Joint Venture		
	Name of the Co-Venturers		
	Hubtown Limited	75.00	75.00
	Jamanlal Gulati Trust	25.00	25.00
	Total Capital of the joint venture (₹ in lacs)	16,680.15	13,980.15
vi.	M/s Celeste Joint Venture		
	Name of the Co-Venturers		
	Fourjone Realtors Private Limited	95.00	—
	Hubtown Limited	5.00	—
	Total Capital of the joint venture (₹ in lacs)	100.00	—

e. The Company has investments in certain subsidiaries, jointly controlled entities and associates aggregating C.Y. ₹ 860.20 Lacs (P.Y. ₹ 257.60 lacs) and loans and advances outstanding aggregating C.Y. ₹ 104,981.29 lacs (P.Y. ₹ 95,702.98 lacs) as at March 31, 2014. While such entities have incurred losses and have negative net worth as at the year end, the underlying projects in such entities are at various stages of real estate development and are expected to achieve adequate profitability on substantial completion and/ or have current market values of certain properties which are in excess of the carrying values. The Company considers its investments in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities or in respect of loans and advances advanced to such entities, which are considered good and fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '14'

DEFERRED TAX ASSETS (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.

Provisions for doubtful debts /advances

Total

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
214.39	233.57
2,980.00	495.39
305.61	474.57
3,500.00	1,203.53

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 34)

- to others

Doubtful

Less: Provision for doubtful advances

Project Advances

- to related parties (Refer Note 34)

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

- to related parties (Refer Note 34)

- 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 34)

- to others

Advance Income Tax [Net of provisions ₹ 4,128.28 lacs; (P.Y. ₹ 72,670.11 lacs)]

Loans to employees

Total

Non Current		Current	
31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
2,573.24	5,398.24	6,063.00	6,875.00
602.00	602.00	—	—
(602.00)	(602.00)	—	—
2,573.24	5,398.24	6,063.00	6,875.00
417.88	446.05	—	—
—	—	83,594.60	103,590.54
—	—	2,628.97	1,150.47
—	—	—	170.76
—	—	—	(170.76)
—	—	86,223.57	104,741.01
25,863.30	—	—	—
—	—	6,328.50	6,614.11
7,240.21	5,428.77	13,400.30	15,333.15
689.93	689.93	—	—
(689.93)	(689.93)	—	—
7,240.21	5,428.77	19,728.80	21,947.26
—	—	—	—
2,610.69	2,610.69	—	—
842.65	907.65	4,203.06	4,254.52
3,285.72	3,610.80	—	—
—	—	0.48	2.26
6,739.06	7,129.14	4,203.54	4,256.78
42,833.69	18,402.20	116,218.91	137,820.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	Non Current		Current	
	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '16'				
OTHER ASSETS				
Non-current bank balances (Refer Note 20)	555.48	394.32	—	—
Unbilled revenue	—	—	23,395.63	22,876.35
Prepaid expenses	42.58	63.17	574.21	737.28
Unamortised ancillary cost of arranging the borrowings	481.57	1,271.34	1,040.56	1,141.73
Other receivables (other than trade) (Refer footnote a)	6,000.00	6,000.00	3,324.18	2,788.72
Others :				
- Interest accrued on fixed deposits	22.19	7.88	59.61	149.56
- Interest accrued on investments (Refer footnote b)	—	—	577.04	265.87
Total	7,101.82	7,736.71	28,971.23	27,959.51

Footnotes:

- a Other receivables include ₹ 122.90 lacs (P.Y. ₹ 18.51 lacs) due from related parties. Further, attention is invited to Note 34.
- b Interest accrued on investments includes Current Year : Nil (P.Y. ₹ 136.46 lacs) due from related parties. Further, attention is invited to Note 34.

NOTE '17'

CURRENT INVESTMENTS (UNQUOTED)

(Trade, unless otherwise specified)

Capital Investment in Partnership Firms and Joint Ventures (Refer footnotes)

Current Investment in Partnership Firms and Joint Ventures

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
	165.33	165.33
	18,850.68	16,883.39
Total	19,016.01	17,048.72

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, 2014	31 March, 2013
55.00	55.00
45.00	45.00
54.74	54.74
55.00	55.00
22.50	22.50
22.50	22.50
383.90	383.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '18'

INVENTORIES

(Valued at lower of cost or net realisable value)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Stock of materials at site	253.70	579.59
Incomplete projects	75,259.04	75,304.44
Floor Space Index (FSI)	646.09	1,088.68
Total	76,158.83	76,972.71

Footnote:

The projects are under various stages of development and are expected to have net realisable value greater than the cost.

NOTE '19'

TRADE RECEIVABLES

Trade receivables (Unsecured considered good) (Refer footnote)

Outstanding for a period exceeding six months from the date they are due for payment

Other trade receivables

	9,449.94	2,843.99
	3,457.80	5,822.84
Total	12,907.74	8,666.83

Footnote:

Trade receivables include ₹ 2,407.08 lacs (P.Y. ₹ 4,137.39 lacs) due from related parties. Further, attention is invited to Note 34.

NOTE '20'

CASH AND BANK BALANCES

Cash and cash equivalents:

Cash on hand

Balances with banks:

- In current accounts

- In deposits with maturity of less than three months

Other Bank Balances:

Unpaid dividend accounts

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

Deposits with maturity of more than twelve months (Refer footnote)

Margin money deposits (Refer footnote)

Amount disclosed under "Other Non-Current Assets" (Refer Note 16)

Total

Non Current		Current	
31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
		22.90	24.51
		857.02	2,152.12
		677.64	1,201.57
		1,557.56	3,378.20
		5.44	5.04
—	—	81.34	20.00
0.12	4.19	—	—
555.36	390.13	796.24	878.06
555.48	394.32	883.02	903.10
(555.48)	(394.32)		
—	—	2,440.58	4,281.30

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '21'		
REVENUE FROM OPERATIONS		
Sale from operations :		
Sale of properties / rights (Net)	35,106.58	26,137.23
Profit on sale of investments in subsidiaries, joint ventures, etc. developing real estate projects	368.34	3,086.66
Project management services	78.01	34.89
	35,552.93	29,258.78
Other operating revenue :		
Income from investments in subsidiaries, joint ventures, etc. developing real estate projects (Refer footnote)	12,781.78	10,281.79
Sale of materials	3.47	—
Dividend from subsidiary	—	700.00
Lease rentals	273.46	1,448.91
	13,058.71	12,430.70
Total	48,611.64	41,689.48

Footnote:

Income consists of interest charged to subsidiaries, joint ventures, etc. on account of investments made in the operation of respective entities.

NOTE '22'

OTHER INCOME

Dividend from current investments	5.36	—
Interest:		
- Loans	603.62	4,991.60
- Bank fixed deposits	191.96	261.51
- Debentures (Refer footnote)	1,787.19	2,837.63
- Others	54.13	508.05
	2,636.90	8,598.79
Surplus on sale / discardment of fixed assets (Net)	1.52	0.01
Gain on sale of investments	—	41.86
Liabilities written back to the extent no longer required	1,046.39	193.90
Miscellaneous income	233.71	89.30
	1,281.62	325.07
Total	3,923.88	8,923.86

Footnote:

Includes ₹ Nil (P.Y ₹ 2,000.00 lacs) yield compensation (interest) arising on account of restructuring the terms of investment made through debentures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '23'

COSTS OF CONSTRUCTION / DEVELOPMENT

Construction costs incurred during the year:

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Land / rights acquired	989.06	1,912.58
Material and labour costs	6,608.87	7,434.03
Approval and consultation expenses	1,655.27	2,770.25
Other direct development expenses	3,359.26	686.53
Total	12,612.46	12,803.39

NOTE '24'

CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI

Opening Inventory :

Floor Space Index (FSI)	1,088.68	229.06
Incomplete projects	75,304.44	69,552.15
	76,393.12	69,781.21

Add / (Less):

Written down value of finished property transferred from investment property sold during the year [Refer Note 2 (vi) (c)]	177.52	—
	76,570.64	69,781.21

Closing Inventory :

Floor Space Index (FSI)	646.09	1,088.68
Incomplete projects	75,259.04	75,304.44
	75,905.13	76,393.12
Total	665.51	(6,611.91)

NOTE '25'

EMPLOYEE BENEFITS EXPENSE

[Net of amounts recovered from other entities ₹ 387.86 lacs ;(P.Y. ₹ 603.18 lacs)]

Salaries, bonus, etc.	1,627.83	1,247.08
Contribution to provident and other funds	30.20	28.84
Staff welfare expenses	70.95	47.08
Other fund expenses	5.41	5.73
Total	1,734.39	1,328.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '26'		
FINANCE COSTS		
Interest:		
Debentures	2,789.00	5,630.56
Fixed loans	22,578.43	22,336.74
Others	3,041.13	4,382.44
	28,408.56	32,349.74
Other borrowing costs	1,502.31	2,130.16
Delayed payments on taxes and statutory dues	554.11	536.31
Total	30,464.98	35,016.21
Footnote:		
In line with Accounting Standard AS-16 Borrowing Costs issued by The Institute of Chartered Accountants of India, borrowing costs of ₹ 6,139.39 lacs (P.Y. ₹ 7,759.42 lacs) have been capitalised to inventory.		
NOTE '27'		
DEPRECIATION AND AMORTISATION		
Depreciation on tangible fixed assets	273.17	334.62
Amortization of intangible assets	93.93	93.93
Depreciation on investment property	189.69	144.88
Total	556.79	573.43
NOTE '28'		
OTHER EXPENSES		
[Net of amount recovered from other entities ₹ 231.86 lacs ; (P.Y. ₹ 382.10 lacs)]		
Insurance	101.49	49.23
Rent	61.07	197.59
Rates and taxes	73.10	50.11
Advertisement expenses	447.66	274.11
Advances and other debit balances written off	0.18	42.55
Donations (Refer footnote a)	283.16	63.86
Brokerage	496.68	419.96
Loss on sale of Current Investments	3.55	—
Directors' fees and travelling expenses	17.54	23.49
Commission to non-executive directors	20.62	44.94
Provision for diminution in value of investments	—	1.58
Provision for doubtful advances	—	35.00
Repairs and society maintenance charges	169.99	199.05
Legal and professional fees (Refer footnote b)	961.53	1,018.26
Expenditure incurred on joint venture projects written off	—	4,849.68
Other expenses (Refer footnote b)	1,128.95	739.01
Loss on foreign currency fluctuation (Net)	5.43	5.95
Total	3,770.95	8,014.37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '28' (Contd.)

OTHER EXPENSES (Contd.)

Footnotes:

- No donations have been given to political parties.
- Auditors' Remuneration (included in legal and professional fees and other expenses):

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Audit fees	53.00	53.00
Limited review fees	7.28	8.78
Tax audit fees	1.00	1.00
Certification and other matters	16.00	1.10
Out-of-pocket expenses	1.18	1.79
Service tax on above	9.55	7.89
Total	88.01	73.56

NOTE '29'

PRIOR PERIOD ADJUSTMENTS (NET)

Debits relating to earlier years:

Finance costs	(2.19)	(14.27)
Legal and professional fees	(6.90)	(9.40)
Other expenses	—	(104.37)

Credits relating to earlier years:

Finance costs	—	124.67
Other expenses	—	10.89
Interest Income	9.50	—
Lease Income	2.39	—
Total	2.80	7.52

NOTE '30'

EARNINGS PER SHARE (EPS)

Net Profit as per Statement of Profit and Loss (₹)	3,544.20	3,065.87
Weighted average number of equity shares outstanding during the year (Nos.)	72,735,871	72,735,871
Earning per equity share (Nominal value per share ₹ 10/- each) (in Rupees)		
Basic and diluted	4.87	4.22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '31'		
VALUE OF PAYMENTS MADE IN FOREIGN EXCHANGE		
Expenditure in foreign currency:		
Travelling expenses	2.28	4.39
Cost of construction	33.31	188.02
Furniture purchased	—	17.65
Advertisement expenses	7.45	41.73
Software expenses	—	0.95
NOTE '32'		
LEASE RENTAL INCOME IN RESPECT OF PREMISES GIVEN UNDER OPERATING LEASE		
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 agreements.		
Not later than one year	111.50	146.77
Later than one year but not later than five years	—	53.00
Later than five years	—	—
NOTE '33'		
CONTINGENT LIABILITIES (NOT PROVIDED FOR) :		
(A) Claims against the Company not acknowledged as debts on account of :		
1) Income tax and MVAT matters under appeal.	590.51	12.52
2) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax).	617.20	548.19
3) Development permission from forest department.	156.22	156.22
4) Others	58,542.67	51,000.92
(B) On account of corporate guarantees issued by the Company to bankers and others on behalf of other companies and joint ventures for facilities availed by them (amount outstanding thereagainst) (Refer footnote).	64,273.76	31,018.45

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.

Footnote:

Contingent liabilities including corporate guarantees are identified by the Company and relied upon by the auditors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34'

RELATED PARTIES DISCLOSURES

A. Names of related parties and description of relationship

I. Subsidiaries

- 1 ABP Realty Advisors Private Limited
- 2 Ackruti Safeguard Systems Private Limited
- 3 Adhivitiya Properties Limited
- 4 Arnav Gruh Limited
- 5 Citygold Education Research Limited
- 6 Citygold Farming Private Limited
- 7 Devkrupa Build Tech Limited
- 8 Diviniti Projects Private Limited
- 9 Gujarat Akruti - TCG Biotech Limited
- 10 Halitious Developer Limited
- 11 Headland Farming Private Limited
- 12 Heddle Knowledge Private Limited
- 13 Heeler Hospitality Private Limited
- 14 Heet Builders Private Limited
- 15 India Development And Construction Venture Capital Private Limited
- 16 Joynest Premises Private Limited
- 17 Merrygold Buildcon Private Limited
- 18 Sheshan Housing & Area Development Engineers Limited
- 19 Upvan Lake Resorts Private Limited
- 20 Urvi Build Tech Limited
- 21 Vama Housing Limited
- 22 Vega Developers Private Limited
- 23 Vishal Nirman (India) Limited
- 24 Vishal Techno Commerce Limited
- 25 Yantti Buildcon Private Limited

II. Associates

- 1 Citywood Builders Private Limited
- 2 Comral Realty Private Limited
- 3 Forefront Realty Private Limited (upto June 30, 2013)
- 4 Gallant Infotech Private Limited
- 5 Glamorous Properties Private Limited (upto December 31, 2013)
- 6 Harbinger Developers Private Limited
- 7 Holiac Realty Private Limited
- 8 Pristine Developers Private Limited
- 9 Whitebud Developers Limited
- 10 Vinca Developer Private Limited
- 11 Yellowcity Builders Private Limited

III. Jointly controlled entities

- 1 Hoary Realty Limited
- 2 Hubtown Bus Terminal (Adajan) Private Limited
- 3 Hubtown Bus Terminal (Ahmedabad) Private Limited
- 4 Hubtown Bus Terminal (Mehsana) Private Limited
- 5 Hubtown Bus Terminal (Surat) Private Limited
- 6 Hubtown Bus Terminal (Vadodara) Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

- 7 Joyous Housing Private Limited (formerly known as Joyous Housing Limited)
- 8 Rare Townships Private Limited
- 9 Sunstream City Private Limited
- 10 Akruti GM JV
- 11 Akruti Jay Chandan JV
- 12 Akruti Jay Developers
- 13 Akruti Kailash Constructions
- 14 Akruti Realty Forefront Combine
- 15 Akruti Steelfab Corporation
- 16 Akruti SMC JV
- 17 Gandhi Adhivitiya Combine
- 18 Gulati Estate Joint Ventures
- 19 Hiranandani Akruti JV
- 20 Panama JV
- 21 Shreenath Realtors
- 22 Sole Builders
- 23 Primeria JV (upto June 30, 2013)

IV. Key Management Personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing 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 Mr. Kushal H. Shah, Son of Executive Chairman
- 7 Mrs. Nutan Dhanki, Sister of Executive Chairman and Managing Director
- 8 Mrs. Hemanti Parekh, Sister of Executive Chairman and Managing Director
- 9 Hemant M. Shah HUF- Karta Executive Chairman
- 10 Vyomesh M. Shah HUF- Karta Managing Director
- 11 Mahipatray V. Shah HUF- Karta Executive Chairman
- 12 Mahipatray V. Shah Discretionary Trust- Trustees Executive Chairman and Managing Director
- 13 Estate of Mahipatray V Shah – Beneficiary Executive Chairman and Managing Director

VI. Enterprises where Key Management Personnel or their relatives exercise significant influence

(Where transactions have taken place)

- 1 Buildbyte. Com. (India) Private Limited
- 2 Citygold Management Services Private Limited
- 3 Fourjone Realtors Private Limited
- 4 Helik Advisory Limited
- 5 Ichha Constructions Private Limited
- 6 Lista City Private Limited
- 7 Starzone Developers Private Limited
- 8 Sunmist Builders Private Limited
- 9 Superaction Realty Private Limited
- 10 Trans Gulf MEP Engineers Private Limited
- 11 Ukay Valves and Founders Private Limited
- 12 Vishwajeet Consultancy Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (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				
	Heet Builders Private Limited	6,316.86 (—)	— (—)	— (—)	— (—)
	Citywood Builders Private Limited	— (—)	6,611.98 (—)	— (—)	— (—)
	Others	13,824.50 (17,969.66)	5,432.76 (261.50)	9,129.42 (11,304.61)	14.50 (9,399.88)
ii.	Loans and Advances given / repaid / adjusted (including other payments)				
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	1,701.99 (793.54)	— (—)
	Sunstream City Private Limited	— (—)	— (450.25)	2,732.46 (1,808.23)	— (—)
	Others	671.48 (10,920.44)	23.09 (2,763.48)	131.40 (7,438.25)	6.62 (8,328.82)
iii.	Business Advances received / recovered / adjusted				
	Heet Builders Private Limited	1,819.42 (—)	— (—)	— (—)	— (—)
	Citygold Education Research Limited	1,525.00 (—)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	2,779.32 (—)	— (—)
	Others	1,757.61 (—)	258.40 (—)	444.26 (—)	— (—)
iv.	Business Advances given / repaid / adjusted				
	Citywood Builders Private Limited	— (—)	6,775.73 (—)	— (—)	— (—)
	Comral Realty Private Limited	— (—)	3,932.31 (—)	— (—)	— (—)
	Yantti Buildcon Private Limited	3,904.03 (—)	— (—)	— (—)	— (—)
	Others	14,688.70 (—)	1,586.22 (—)	3,509.13 (—)	— (—)
v.	Interest received				
	Sunstream City Private Limited	— (—)	— (8,308.39)	12,626.77 (—)	— (—)
	Others	283.64 (2,572.53)	151.07 (933.92)	14.78 (551.63)	48.72 (117.23)
vi.	Interest paid				
	Heet Builders Private Limited	320.95 (—)	— (—)	— (—)	— (—)
	Others	— (—)	— (—)	— (95.83)	72.38 (41.49)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
vii.	Deposits received				
	Hemant M. Shah	— (—)	— (—)	— (—)	— (103.50)
	Vyomesh M. Shah	— (—)	— (—)	— (—)	— (138.30)
	Kunjal H. Shah	— (—)	— (—)	— (—)	— (33.08)
	Rushank V. Shah	— (—)	— (—)	— (—)	— (30.00)
	Hemant M. Shah HUF	— (—)	— (—)	— (—)	— (98.92)
	Mahipatray V. Shah HUF	— (—)	— (—)	— (—)	— (96.00)
	Others	— (—)	— (—)	— (—)	— (207.00)
viii.	Deposits repaid / pre—matured				
	Kunjal H. Shah	— (—)	— (—)	— (—)	— (663.00)
	Rushank V. Shah	— (—)	— (—)	— (—)	— (197.51)
	Hemant M. Shah (HUF)	— (—)	— (—)	— (—)	— (170.00)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	— (—)	— (240.00)
	Others	— (—)	— (—)	— (—)	— (775.40)
ix.	Directors' Remuneration				
	Hemant M. Shah	— (—)	— (—)	— (—)	80.58 (85.98)
	Vyomesh M. Shah	— (—)	— (—)	— (—)	72.51 (77.31)
	Madhukar Chobe	— (—)	— (—)	— (—)	— (38.25)
	Remuneration to Relatives of KMPs				
	Rushank V. Shah	— (—)	— (—)	— (—)	11.26 (—)
	Khilen V. Shah	— (—)	— (—)	— (—)	11.26 (—)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
x.	Investments (including Debentures) made				
	Akruti Jay Developers	— (—)	— (—)	3,301.83 (—)	— (—)
	Shreenath Realtors	— (—)	— (—)	2,038.87 (—)	— (—)
	Akruti GM JV	— (—)	— (—)	1,414.38 (—)	— (—)
	Sole Builders	— (—)	— (—)	1,026.44 (—)	— (—)
	Others	— (5,255.90)	90.00 (—)	1,084.00 (2,892.89)	— (—)
xi.	Investments transferred/ withdrawn				
	Akruti Jay Developers	— (—)	— (—)	1,336.97 (—)	— (—)
	Akruti Kailash Constructions	— (—)	— (—)	2,565.31 (—)	— (—)
	Gulati Estate Joint Ventures	— (—)	— (—)	4,000.00 (—)	— (—)
	Others	660.00 (2,340.00)	— (—)	1,296.20 (192.51)	— (—)
xii.	Advance against share application adjusted/refunded				
	Rare Townships Private Limited	— (—)	— (—)	— (742.33)	— (—)
	Others	— (—)	— (2.50)	— (—)	— (2.50)
xiii.	Purchase of Transfer Development Rights / Properties				
	Akruti SMC JV	— (—)	— (—)	— (250.25)	— (—)
	Arnav Gruh Limited	— (687.00)	— (—)	— (—)	— (—)
xiv.	Sale of Transfer Development Rights/ Incomplete Projects				
	Fourjone Realtors Private Limited	— (—)	— (—)	— (—)	— (3,971.72)
	Starzone Developers Private Limited	— (—)	— (—)	— (—)	— (3,000.00)
xv.	Services received/availed				
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	739.35 (703.34)
	Others	— (—)	— (—)	— (—)	2.12 (3.08)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xvi.	Services rendered				
	Akruti Jay Chandan JV	— (—)	— (—)	78.01 (39.20)	— (—)
xvii.	On behalf payments made (including reimbursement of expenses)				
	Akruti SMC JV	— (—)	— (—)	186.03 (—)	— (—)
	Heet Builders Private Limited	125.56 (0.01)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	188.89 (207.77)	— (—)
	Joyneest Premises Private Limited	282.36 (53.22)	— (—)	— (—)	— (—)
	Others	34.66 (142.59)	37.72 (15.62)	267.16 (900.93)	0.50 (—)
xviii.	On behalf payments received/adjusted				
	Akruti Jay Developers	— (—)	— (—)	183.31 (—)	— (—)
	Primeria JV	— (—)	— (—)	152.93 (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	167.70 (279.40)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	276.45 (31.58)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	197.60 (10.04)	— (—)
	Others	112.28 (22.52)	— (2,197.19)	171.04 (880.78)	— (—)
xix.	Advance given towards purchase of flat				
	Fourjone Realtors Private Limited	— (—)	— (—)	— (—)	100.00 (—)
xx.	Advance refunded towards purchase of flat				
	Fourjone Realtors Private Limited	— (—)	— (—)	— (—)	100.00 (—)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxi.	Share of profit from Partnerships/Joint Ventures				
	Akruti Jay Chandan JV	— (—)	— (—)	17.66 (7.06)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	— (3,864.66)	— (—)
xxii.	Share of loss from Partnerships/Joint Ventures				
	Akruti Realty Forefront Combine	— (—)	— (—)	9.60 (28.77)	— (—)
	Hiranandani Akruti JV	— (—)	— (—)	220.98 (52.53)	— (—)
	Akruti Steelfab Corporation	— (—)	— (—)	0.11 (0.06)	— (—)
	Shreenath Realtors	— (—)	— (—)	0.10 (—)	— (—)
	Sole Builders	— (—)	— (—)	2.38 (1.53)	— (—)
	Primeria JV	— (—)	— (—)	0.23 (1.62)	— (—)
	Akruti Kailash Constructions	— (—)	— (—)	23.53 (7.39)	— (—)
	Gulati Estate JV	— (—)	— (—)	0.12 (0.08)	— (—)
	Akruti Jay Developers	— (—)	— (—)	561.46 (492.74)	— (—)
	Akruti GM JV	— (—)	— (—)	6.94 (4.24)	— (—)
xxiii.	Sale of Shares				
	Kunjal H. Shah	— (—)	— (—)	— (—)	50.00 (0.30)
	Falguni V. Shah	— (—)	— (—)	— (—)	50.00 (0.30)
	Rushank V. Shah	— (—)	— (—)	— (—)	— (0.10)
	Khilen V. Shah	— (—)	— (—)	— (—)	— (0.10)
	Kushal H. Shah	— (—)	— (—)	— (—)	— (0.10)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxiv.	Purchase of Shares				
	Kunjal H. Shah	— (—)	— (—)	— (—)	— (0.05)
	Falguni V. Shah	— (—)	— (—)	— (—)	— (0.05)
	Rushank V. Shah	— (—)	— (—)	— (—)	— (0.05)
	Khilen V. Shah	— (—)	— (—)	— (—)	— (0.05)
	Kushal H. Shah	— (—)	— (—)	— (—)	— (0.05)
xxv.	Dividend paid				
	Hemant M. Shah	— (—)	— (—)	— (—)	— (58.00)
	Vyomesh M. Shah	— (—)	— (—)	— (—)	— (75.40)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	— (—)	— (96.00)
	Hemant M. Shah (HUF)	— (—)	— (—)	— (—)	— (68.92)
	Vyomesh M. Shah (HUF)	— (—)	— (—)	— (—)	— (41.00)
	Kunjal H. Shah	— (—)	— (—)	— (—)	— (53.08)
	Falguni V. Shah	— (—)	— (—)	— (—)	— (63.60)
	Rushank V. Shah	— (—)	— (—)	— (—)	— (36.00)
	Khilen V. Shah	— (—)	— (—)	— (—)	— (36.00)
	Kushal H. Shah	— (—)	— (—)	— (—)	— (36.00)
	Lata M. Shah	— (—)	— (—)	— (—)	— (24.00)
	Others	— (—)	— (—)	— (—)	— (12.00)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxvi.	Dividend received				
	Vishal Techno Commerce Limited	— (700.00)	— (—)	— (—)	— (—)
xxvii.	Corporate guarantees given for loans availed by others				
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	8,732.25 (—)	(—)
	Holiac Realty Private Limited	— (—)	168.61 (—)	— (—)	— (—)
	Akruti Jay Chandan	— (—)	— (—)	395.20 (—)	— (—)
	Joynest Premises Private Limited	6,797.00 (—)	— (—)	— (—)	— (—)
	Heet Builders Private Limited	9,478.00 (—)	— (—)	— (—)	— (—)
	Hoary Realty Limited	— (—)	— (—)	12,283.86 (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	— (3,109.32)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	— (3,971.16)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	— (1,628.12)	— (—)
xxviii.	Corporate guarantees given for on behalf payments				
	Yantti Buildcon Private Limited	— (885.83)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	— (282.30)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	— (837.24)	— (—)
	Corporate guarantees vacated for loans availed by others				
	Pristine Developers Private Limited	— (—)	— (1,056.06)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	— (267.91)	— (—)
xxix.	Corporate guarantees vacated for on behalf payments				
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	837.24 (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	2,474.83 (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	282.30 (282.30)	— (—)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxx.	Balances outstanding				
	Payable *				
	Vinca Developer Private Limited	— (—)	1,061.00 (1,061.00)	— (—)	— (—)
	Heet Builders Private Limited	4,504.56 (—)	— (—)	— (—)	— (—)
	Others	687.00 (688.47)	— (—)	— (381.65)	1,229.78 (1,287.78)
xxxi.	Receivable *				
	Sunstream City Private Limited	— (—)	— (—)	80,875.54 (68,480.24)	— (—)
	Others	20,318.96 (21,633.80)	13,792.62 (13,605.19)	3,294.89 (9,282.18)	2,645.05 (4,277.06)
xxxii.	Corporate guarantees given for loans availed by others (Amount outstanding thereagainst)				
	Pristine Developers Private Limited	— (—)	4,727.31 (5,235.95)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	2,084.38 (2,426.10)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	4,194.61 (3,109.32)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	4,031.62 (3,971.16)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	2,209.66 (1,628.12)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	8,732.25 (—)	— (—)
	Holiac Realty Private Limited	— (—)	168.61 (—)	— (—)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	395.20 (—)	— (—)
	Joyneest Premises Private Limited	6,797.00 (—)	— (—)	— (—)	— (—)
	Heet Builders Private Limited	9,478.00 (—)	— (—)	— (—)	— (—)
	Hoary Realty Limited	— (—)	— (—)	12,283.86 (—)	— (—)

Footnotes:

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxxiii.	Corporate guarantees given for on behalf payments (Amount outstanding thereagainst)				
	Yantti Buildcon Private Limited	1,527.53 (1,537.53)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	— (2,437.83)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	— (282.30)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	— (837.24)	— (—)
xxxiv.	Personal Guarantees of Directors				
	Banks	— (—)	— (—)	— (—)	65,984.29 (69,544.01)
	Debenture Trustees	— (—)	— (—)	— (—)	16,810.35 (21,204.17)
	Financial Institutions	— (—)	— (—)	— (—)	20,381.38 (16,329.66)
xxxv.	Guarantees / Securities by way of shares in the Company pledged against loans availed by the Company	— (—)	— (—)	— (—)	50,290.62 (68,703.60)

Footnotes:

- Previous year figures are given in brackets.
- Related party relationships are identified by the Company and relied upon by the auditors.
- \$ Enterprises where key management personnel or their relatives exercise significant influence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '35'

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

Sr. No.	Name of the Loanee	31 March, 2014		31 March, 2013	
		Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)
A.	Loans to subsidiary companies				
1.	Adhivitiya Properties Limited	—	—	1,319.45	1,319.45
2.	Vama Housing Limited (Refer footnote a)	447.50	451.50	451.50	451.50
3.	Arnav Gruh Limited	—	—	2,345.94	2,345.94
4.	Devkrupa Build Tech Private limited (Refer footnote a)	43.65	43.65	452.04	855.70
5.	Sheshan Housing and Area Development Engineers Limited (Refer footnote a)	1.00	1.00	—	1.09
6.	Diviniti Projects Private Limited (Refer footnote a)	14.40	14.40	14.40	2,914.40
7.	Heet Builders Private Limited	—	—	1,679.42	1,679.42
8.	Vishal Nirman (India) Limited	—	—	—	9.35
9.	Vishal Techno Commerce Limited (Refer footnote a)	1,291.89	1,741.89	1,710.59	1,710.59
10.	Gujarat Akruti-TCG Biotech Limited	—	—	6.48	6.48
11.	Urvi Build Tech Limited (Refer footnote a)	61.78	61.78	235.43	542.67
12.	Yantti Buildcon Private Limited	—	—	3,594.23	3,594.23
13.	Upvan Lake Resorts Private Limited	—	—	421.95	421.95
14.	Heddle Knowledge Private Limited (Refer footnote a)	—	—	1,892.35	5,707.35
15.	India Development And Construction Venture Capital Private Limited (Refer footnote a)	5.91	5.91	5.91	5.91
16.	Citygold Education Research Limited (Refer footnote a)	—	—	315.42	4,074.95
17.	Citygold Farming Private Limited (Refer footnote a)	—	—	8.82	3,483.82
18.	Ackruti Safeguard Systems Private Limited	1,729.34	1,729.34	1,458.06	1,458.06
19.	Headland Farming Private Limited (Refer footnote a)	—	—	926.69	940.19
20.	Vega Developers Private Limited	—	—	1,302.89	1,302.89
21.	Heeler Hospitality Private Limited (Refer footnote a)	587.09	590.09	590.09	1,052.09
22.	Merrygold Buildcon Private Limited (Refer footnote a)	7.86	7.86	7.36	7.36
23.	ABP Realty Advisors Private Limited	4.75	31.75	31.74	31.74
24.	Joyneest Premises Private Limited	—	—	423.81	2,656.46

Footnotes:

- Interest free loan has been given to wholly owned subsidiary.
- Above loans are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '35' (Contd.)

DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS PER CLAUSE 32 OF LISTING AGREEMENT (Contd.)

Sr. No.	Name of the Loanee	31 March, 2014		31 March, 2013	
		Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)
B.	Loans to associate companies				
1.	Whitebud Developers Limited	869.05	869.05	719.76	719.76
2.	Pristine Developers Private Limited	66.53	66.53	56.77	56.77
3.	Comral Realty Private Limited	—	—	3,873.03	3,873.03
4.	Citywood Builders Private Limited	—	—	6,611.98	6,611.98
5.	Holiac Realty Private Limited	—	—	1,559.73	1,559.73
C.	Loans to partnership firms and others				
1.	Aarti Projects & Constructions	—	—	—	11.00
2.	Akruti Jay Developers	—	—	1,180.10	2,065.31
3.	Akruti Kailash Constructions	—	—	—	2,328.28
4.	Sole Builders	—	—	1,025.89	1,025.89
5.	Shreenath Realtors	—	—	2,038.87	2,038.87
6.	Gandhi Adhivitiya Combine	—	—	54.59	79.87
7.	Sunstream City Private Limited	77,304.58	77,304.58	—	—
8.	Joyous Housing Private Limited (Formerly known as Joyous Housing Limited)	867.98	867.98	—	—
	Others:				
9.	Giraffe Developers Private Limited	7,500.00	7,500.00	7,500.00	7,500.00
10.	Providence Natural Resources (I) Private Limited	3.02	33.02	—	—
11.	Superaction Realty Private Limited	74.48	74.48	—	—
12.	Sunmist Builders Private Limited	39.17	39.17	—	—
13.	Trans Gulf MEP Engineering Private Limited	7.23	7.23	—	—
14.	Buildbyte.com.India Private Limited	56.34	56.79	—	—
15.	Lista City Private Limited	32.93	32.93	—	—
16.	Ichha Constructions Private Limited	80.97	80.97	—	—
17.	Kamal Bakery Private Limited	927.85	927.85	—	—
18.	Bhutada Weaving Mills Private Limited	371.49	371.49	—	—
19.	E-Commerce Magnum Solution Limited	170.53	170.53	—	—
20.	Helik Advisory Limited	0.20	0.20	—	—
21.	Citygold Investments Private Limited	1,156.09	6,119.74	—	—

Footnote:

Above loans are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '35' (Contd.)

DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS PER CLAUSE 32 OF LISTING AGREEMENT (Contd.)

Sr. No.	Name of the Loanee	31 March, 2014		31 March, 2013	
		Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)
D.	On behalf payments (including reimbursement of expenses) (Refer footnote)				
	I. Subsidiaries				
	1. Heet Builders Private Limited	13.29	91.45	0.01	0.01
	2. Yantti Buildcon Private Limited	220.50	220.50	187.78	187.78
	3. Upvan Lake Resorts Private Limited	18.30	18.30	18.30	18.92
	4. Joynest Premises Private Limited	419.28	419.28	136.93	143.51
	5. Ackruti Safeguard Systems Private Limited	1.94	1.94	—	—
	II. Associates				
	1. Holiac Realty Private Limited	46.03	46.03	46.03	47.10
	2. Whitebud Developers Limited	5.13	5.13	4.49	4.49
	3. Pristine Developers Private Limited	56.69	56.69	56.69	56.69
	4. Citywood Builders Private Limited	0.82	0.82	—	2,197.19
	5. Comral Realty Private Limited	52.52	52.52	16.25	16.98
	III. Jointly Controlled Entities				
	1. Sunstream City Private Limited	3,570.96	3,570.96	3,518.81	3,551.59
	2. Hubtown Bus Terminal (Mehsana) Private Limited	52.91	195.38	197.40	197.40
	3. Hubtown Bus Terminal (Surat) Private Limited	37.56	37.56	37.56	37.65
	4. Hubtown Bus Terminal (Adajan) Private Limited	12.73	167.19	167.19	384.01
	5. Hubtown Bus Terminal (Vadodara) Private Limited	31.53	117.74	117.74	119.78
	6. Hubtown Bus Terminal (Ahmedabad) Private Limited	118.68	276.25	206.25	239.55
	7. Rare Townships Private Limited	0.54	0.54	0.54	0.54
	8. Joyous Housing Private Limited (Formerly known as Joyous Housing Limited)	—	—	—	6.18
	IV. Partnership Firms and Joint Ventures				
	1. Akruti Kailash Constructions	689.66	689.66	683.73	684.88
	2. Akruti Jay Developers	40.74	183.23	183.23	484.04
	3. Gandhi Adhivitiya Combine	81.13	81.13	80.30	82.49
	4. Panama JV	—	—	91.41	104.05
	5. Akruti Chandan JV	—	—	—	0.45
	6. Akruti GM JV	481.96	481.96	467.87	471.50
	7. Akruti SMC JV	197.89	213.99	64.96	85.39
	8. Primeria JV	—	—	152.93	152.93
	9. Akruti Realty Forefront Combine	176.76	176.76	176.76	176.81
	10. Shreenath Realtors	—	—	—	828.43
	11. Aarti Projects & Constructions	—	—	—	2.26
	12. Commercial Construction Corporation	0.95	0.95	—	—

Footnote:

Interest free advances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '35' (Contd.)

DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS PER CLAUSE 32 OF LISTING AGREEMENT (Contd.)

Sr. No.	Name of the Loanee	31 March, 2014		31 March, 2013	
		Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)
V.	Others (Refer Footnote)				
1.	Super Success Private Limited	188.56	188.56	188.56	188.56
2.	Pushpak Healthcare Services Private Limited	3.77	3.77	—	—
3.	Wellgroomed Venture	0.27	0.27	—	147.45
E.	Project Advances (Refer Footnote)				
I.	Subsidiaries				
1.	Adhivitiya Properties Limited	1,310.60	1,359.60	—	—
2.	Gujarat Akruiti-TCG Biotech Limited	8.98	8.98	—	—
3.	Yantti Buildcon Private Limited	3,676.07	3,822.57	—	—
4.	Upvan Lake Resorts Private Limited	435.45	435.45	—	—
5.	Heddle Knowledge Private Limited	1,975.85	1,975.85	—	—
6.	Citygold Education Research Limited	99.53	554.92	—	—
7.	Citygold Farming Private Limited	1,794.07	1,794.07	—	—
8.	Headland Farming Private Limited	926.69	926.69	—	—
9.	Joynest Premises Private Limited	423.81	423.81	—	—
10.	Vega Developers Private Limited	1,037.89	1,329.89	—	—
11.	Arnav Gruh Limited	1,801.29	2,345.94	—	—
II.	Associates				
1.	Holiac Realty Private Limited	1,383.62	1,560.13	—	—
2.	Comral Realty Private Limited	3,932.31	3,932.31	—	—
3.	Citywood Builders Private Limited	6,719.93	6,719.93	—	—
III.	Jointly Controlled Entities				
1.	Hoary Realty Limited	2.01	2.01	—	—
2.	Hubtown Bus Terminal (Vadodara) Private Limited	80.16	126.62	—	—
3.	Hubtown Bus Terminal (Mehsana) Private Limited	—	2,179.49	—	—
4.	Hubtown Bus Terminal (Surat) Private Limited	200.45	200.45	—	—
5.	Hubtown Bus Terminal (Ahmedabad) Private Limited	—	359.30	—	—
IV.	Partnerships, JVs and Others				
1.	Gandhi Adhivitiya Combine	54.59	54.59	—	—

Footnote:
Interest free advances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '36'		
A. INTEREST IN THE LIABILITIES, ASSETS, INCOME AND EXPENSES WITH RESPECT TO ENTITIES UNDER JOINT CONTROL AS AT 31ST MARCH, 2014		
LIABILITIES		
Non-current liabilities		
Long-term borrowings	8,708.12	10,400.93
Deferred tax liabilities	—	—
Long-term trade payables	539.37	2,351.01
Other long term liabilities	708.99	165.11
Long-term provisions	4.52	5.09
Current liabilities		
Short-term borrowings	43,150.34	38,646.47
Trade payables	9,978.83	9,308.10
Other current liabilities	26,489.24	21,289.03
Short-term provisions	42.69	54.81
ASSETS :		
Non-current assets		
Fixed assets :		
Tangible assets	4,249.45	4,405.12
Intangible assets	25.43	42.42
Capital work-in progress	49.70	12.25
Non-current investments	1,276.30	1,350.06
Deferred tax asset (Net)		
Long-term loans and advances	466.18	744.30
Long-term trade receivables	11,887.30	9,454.00
Other non-current assets	348.53	143.94
Current assets		
Current investments	677.44	2,364.36
Inventories	102,697.59	89,187.94
Trade receivables	5,189.46	7,539.60
Cash and bank balances	1,374.47	1,990.00
Short-term loans and advances	15,698.47	21,216.02
Other current assets	915.31	554.11
TOTAL INCOME:		
Total revenue	9,639.85	8,466.56
Prior period adjustments (Net)	(15.07)	254.97
EXPENDITURE:		
Cost of construction / development	16,127.34	11,676.16
Changes in inventories of work-in-progress, finished properties and FSI	(17,238.55)	(16,936.28)
Employee benefits expenses	502.07	396.68
Finance costs	9,190.37	8,360.42
Depreciation and amortisation	359.34	415.23
Other expenses	1,545.20	1,615.46
Tax expense	(30.99)	(21.03)
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	102.57	44.31
2) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax)	29.07	20.27
3) Others	565.18	12.50
(B) Charges created on the assets of jointly controlled entities in favour of bankers / financial institutions for loans availed by other body corporates	6,323.20	14,539.18

Further interest / penalty that may accrue on original demands are not ascertainable, at present. These joint ventures have taken necessary steps to protect their position with respect to the above referred claims, which in their opinion, based on professional / legal advice are not sustainable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '37'

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, 2014.

Particulars	Cash on Hand		Trade Payables		Advance to Supplier	
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
USD	2,982	2,982	63,596	64,649	—	120,000
INR	179,069	161,863	3,818,969	3,509,147	—	6,513,600
EURO	2,000	110	21	—	—	5,922
INR	165,440	7,656	1,770	—	—	412,171
UK Pound	67	67	—	—	—	—
INR	6,709	5,530	—	—	—	—
SG \$	165	165	26,235	—	—	12,240
INR	7,875	7,217	1,252,173	—	—	494,982
HKD	200	—	—	—	—	—
INR	14,148	—	—	—	—	—
AED	6,399	600	—	—	—	—
INR	104,624	8,868	—	—	—	—

NOTE '38'

DISCLOSURE AS PER GUIDANCE NOTE ON ACCOUNTING FOR REAL ESTATE TRANSACTIONS (REVISED 2012)

Particulars for all projects	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Project Revenue recognised in the reporting period	23,331.50	19,165.51
Aggregate amount of cost incurred till date	144,207.12	128,135.63
Advances received (Net of revenue recognition)#	30,220.66	27,274.89
Work-in-progress	75,509.29	75,304.44
Value of inventories	76,158.83	76,972.71
Unbilled revenue	23,395.63	22,876.35

Includes amounts received from customers against projects on which revenue is not recognised till date.

NOTE '39'

A major fire took place at the registered office of the company on December 23, 2011, causing extensive damage and destruction of records and assets of the Company, including financial accounting records. The management is of the opinion that no significant adjustments would be necessary to the position reported in the financial statements, upon reconstruction of balance documents and records.

NOTE '40'

Loans from financial institutions, debenture holders, and loans & advances are subject to confirmation and are considered payable / realisable, as the case may be.

NOTE '41'

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

As per our report of even date

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

DINESH DOSHI
PARTNER

Mumbai
Date: 29th May, 2014

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Hubtown Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Hubtown Limited ("the Company") and its subsidiaries, associates and joint ventures (the Company, its subsidiaries, associates and joint ventures constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The management is responsible for the preparation of these consolidated financial statements on the basis of separate financial statements and other financial information regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, its subsidiaries (including subsidiaries of subsidiaries), associates and joint ventures.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the Financial Statements of the subsidiaries (including subsidiaries of subsidiaries), associates and joint ventures as mentioned in the 'Emphasis of Matter' paragraph below, the consolidated financial statements give the information required by the Act in the manner so required and 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 March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to:

- (a) Note 3 (III) (A) (ii) & (iii) in the financial statements with regard to recognition of revenue for ongoing projects which is based upon estimated costs, as per the judgment of the management, which have been relied upon by us, these being technical matters.
- (b) Note 5 (footnote c) in the financial statements with regard to the dividend recommended by the Board of Directors, wherein the concurrence of the secured debenture holders is required to be obtained in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Debenture Trust Deeds.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT (CONTD.)

- (c) Note 5 (footnote d) in the financial statements with regard to non creation of investments to the extent of 15% of the value of redeemable debentures, which are required to be created and earmarked in accordance with the requirement of the Companies Act, 1956.
- (d) Note 6 (footnote l) of the financial statements with regards to non-provision of interest and allied costs or accounting for liabilities on funds received from debentureholders. We are informed that the management is in the process of negotiating with them and the impact, if any, on the financial statements of the Company after the conclusion of the negotiations is not expected to be material.
- (e) Note 12 (footnote b) in the financial statements with regard to provision made towards unpaid liability of statutory dues.
- (f) Note 14 (footnote b) in the financial statements with regard to investment in certain debentures.
- (g) With regards to investments and loans and advances made by Company in certain associates and jointly controlled entities which have incurred losses and also have negative net worth as at the reporting date. Investments in these entities are considered strategic and long term in nature. These entities are in the early stages of real estate development and in the opinion of the Company, have current market values of certain properties /investments significantly in excess of carrying values and are expected to achieve adequate profitability on substantial completion of the projects.
- (h) Note 19 (footnote) of the financial statements regarding the status of the projects and the opinion framed by the Company regarding realizable value of the cost incurred, which being a technical matter, is relied upon by us.
- (i) Note 28 (footnote) in the financial statements with regard to the change in the estimated useful life of the immovable assets.
- (j) Note 36(B) regarding guarantees issued and securities provided aggregating ₹ 33,278.73 lacs by the Company to banks and financial institutions on behalf of various entities, which are significant, in relation to the profits for the year and net worth of the Company. In the opinion of the management, these are not expected to result into any financial liability for the Company.
- (k) The financial statements of six joint ventures which reflect total assets (net) of ₹ 42,536.78 lacs as at 31st March, 2014, total revenues (net) of ₹ (59.84) lacs and net cash outflow of ₹ 1,368.30 lacs and consolidated financial statements of one associate which reflect total assets (net) of ₹ (13.67) lacs as at 31st March, 2014, total revenues (net) of ₹ (83.30) lacs and net cash inflows of ₹ 214.54 lacs, were compiled, prepared and approved by the management of these joint ventures and the associate, which have been furnished to us. We have not audited the financial statements of these entities and have relied on such management accounts.
- (l) We did not audit the financial statements of twenty subsidiaries and thirteen joint ventures, whose financial statements reflect total assets (net) of ₹ 73,636.46 lacs as at 31st March, 2014, total net revenues of ₹ (2,196.33) lacs and net cash outflows amounting to ₹ 8,029.76 lacs for the year then ended. We also did not audit the financial statements of five associates, whose aggregate share of net loss amounting to ₹ 206.32 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 other auditors.

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

For Doshi Doshi and Associates
Firm Registration Number: 121773W
Chartered Accountants

Dinesh Doshi
Partner
Membership No.: F-9464

Mumbai: May 29, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As At 31 March, 2014 (₹ in lacs)	As At 31 March, 2013 (₹ in lacs)
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	7,273.59	7,273.59
Reserves and surplus	5	161,728.86	159,590.11
		169,002.45	166,863.70
Minority interest		1,843.85	1,605.10
Share application money pending allotment		—	595.97
Non-current liabilities			
Long-term borrowings	6	79,400.73	85,783.86
Long-term trade payables	7	2,661.98	4,493.10
Other long term liabilities	8	2,605.43	1,972.49
Long-term provisions	9	72.31	70.46
		84,740.45	92,319.91
Current Liabilities			
Short-term borrowings	10	47,590.88	48,376.56
Trade payables	11	17,608.70	17,091.87
Other current liabilities	12	168,507.93	139,287.22
Short-term provisions	9	984.86	1,006.28
		234,692.37	205,761.93
Total		490,279.12	467,146.61
II. ASSETS			
Non-current Assets			
Fixed assets :	13		
Tangible assets		8,800.78	9,165.63
Intangible assets:			
- Goodwill on consolidation		11,083.50	10,734.09
- Other Intangible assets		148.86	270.95
Capital work-in-progress		1,159.70	1,178.56
Non-current investments	14	33,726.27	30,299.38
Deferred tax asset (Net)	15	3,479.12	1,156.22
Long-terms loans and advances	16	31,667.28	29,074.17
Other non-current assets	17	19,662.19	18,637.53
		109,727.70	100,516.53
Current Assets			
Current investments	18	3,092.67	2,720.09
Inventories	19	213,606.54	189,887.69
Trade receivables	20	19,181.01	17,201.09
Cash and bank balances	21	4,205.85	14,434.15
Short-term loans and advances	16	110,022.37	113,398.94
Other current assets	17	30,442.98	28,988.12
		380,551.42	366,630.08
Total		490,279.12	467,146.61

The accompanying notes 1 to 43 are an integral part of the Financial Statements.

As per our report of even date

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

DINESH DOSHI
PARTNER

Mumbai
Date: 29th May, 2014

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	Year Ended 31 March, 2014 (₹ in lacs)	Year Ended 31 March, 2013 (₹ in lacs)
I. INCOME			
Revenue from operations	22	47,605.95	44,105.75
Other income	23	7,338.01	12,534.34
Total		54,943.96	56,640.09
I. EXPENSES			
Cost of construction / development	24	33,829.04	27,523.97
Changes in inventories of work-in-progress, finished properties and FSI	25	(25,003.91)	(22,278.75)
Employee benefits expense	26	2,460.73	1,836.98
Finance costs	27	35,672.83	43,458.34
Depreciation and amortisation on fixed assets and investment properties	28	984.70	1,069.79
Other expenses	29	5,988.89	5,560.70
Amortisation / adjustment of goodwill		94.04	(31.08)
Total		54,026.32	57,139.95
Profit / (Loss) before tax		917.64	(499.86)
Tax expense :			
Current tax		(148.70)	(10.35)
Excess / (Short) provision for taxation in respect of earlier years		(694.13)	(14.82)
Deferred tax (charge) / credit		2,322.90	266.86
Profit / (Loss) after tax but before adjustments		2,397.71	(258.17)
Prior period adjustments (Net)	30	21.95	(258.83)
Share of profit /(loss) from associate companies		108.93	349.78
Minority interest		24.65	3.62
Loss / (gain) on cessation / sale / conversion of shares in subsidiaries / joint ventures		(259.87)	(49.09)
Profit / (Loss) for the year		2,293.37	(212.69)
Earning per equity share of nominal value of ₹ 10/- each	31		
Basic and diluted (in ₹)		3.15	(0.29)

The accompanying notes 1 to 43 are an integral part of the Financial Statements.

As per our report of even date

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

DINESH DOSHI
PARTNER

Mumbai
Date: 29th May, 2014

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	31 March 2014 (₹ in lacs)	31 March 2013 (₹ in lacs)
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit before taxation, prior period items as per Statement of Profit and Loss	917.64	(499.86)
Add / (Less) :		
Finance costs	35,672.83	43,458.34
Share of (Profit) / Loss from investment in partnership firms and JVs	39.76	—
Amortisation / adjustment of goodwill	94.04	(31.08)
Depreciation and amortisation	984.70	1,069.79
Provision for doubtful advances and bad debts	17.72	28.81
Provision for diminution in value of investments	1.60	0.97
Project expenses written off / amortised	1.09	—
Expenditure incurred on joint venture projects written off	—	421.19
Prior period adjustments (Net)	21.95	(258.83)
Advances and other debit balances written off	—	47.55
(Profit) / Loss on sale of fixed assets (Net)	(1.57)	—
(Profit) / Loss on sale of investments	(0.10)	(41.86)
Provisions no longer required	(1,402.84)	(199.42)
Dividend from current investments	(46.46)	(5.42)
Impact of account of Acquisitions / Disposals	—	33.98
Interest income	(3,993.93)	(11,431.91)
Operating profit before working capital changes	31,388.79	33,092.11
Add / (Less) :	32,306.43	32,592.25
(Increase) / Decrease in inventories	(23,542.42)	(22,948.15)
(Increase) / Decrease in trade and other receivables	(9,388.13)	(2,039.41)
Increase / (Decrease) in trade and other payables	20,066.74	21,763.07
Direct taxes paid	(447.95)	(1,243.04)
Net cash flow from operating activities	(13,311.76)	(4,467.53)
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES	18,994.67	28,124.72
Inflow / (Outflow) on account of :		
Dividend from current investments	46.46	5.42
Interest income received	3,988.41	15,993.29
Decrease in loans and advances, including land, etc.	4,695.35	21,861.04
Purchase of fixed assets including capital work-in-progress (Net)	(168.48)	(694.57)
Acquisitions / (disposals) of interest in Joint Ventures (net)	(427.72)	(4,708.86)
Long term / Current investments (Net)	(3,760.47)	(7,964.20)
Net cash flow from investing activities	4,373.55	24,492.12
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Increase / (Decrease) in long term and short term borrowings	2,081.93	(2,436.22)
Finance costs paid	(35,473.58)	(43,873.77)
Dividend and dividend tax paid	(149.01)	(845.36)
Net cash flow from financing activities	(33,540.66)	(47,155.35)
Net increase in cash and cash equivalents (I + II + III)	(10,172.44)	5,461.49
Add: Balance at the beginning of the year	12,650.82	6,441.10
Add/(Less): Impact on Cash and Cash Equivalent on account of acquisition and dillution	—	748.23
Cash and cash equivalents at the end of the year	2,478.38	12,650.82
Components of cash and cash equivalents (Refer Note 21)		
Cash and cash equivalents:		
Cash on hand	84.93	48.27
Balances with banks		
- In Current accounts	1,120.60	10115.41
- Deposit with maturity of less than three months	705.32	1327.38
Share in Joint Venture	567.53	1159.76
	2,478.38	12,650.82

Footnote:

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**
Firm Registration No. 121773W
Chartered Accountants

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER
Membership No. F-9464

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

Mumbai
Date: 29th May, 2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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 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 unrealized 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.
- II. Investments other than in Subsidiaries, Associates and Joint Ventures, have been accounted as per Accounting Standard -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 31 March 2014	Percentage of Voting Power as at 31 March 2013
Ackruti Safeguard Systems Private Limited	India	72.43%	72.43%
Halitious Developer Limited	India	100.00%	100.00%
Adhivitiya Properties Limited	India	100.00%	100.00%
Arnav Gruh Limited	India	100.00%	100.00%
Devkrupa Build Tech Limited	India	100.00%	90.00%
Gujarat Akruiti - TCG Biotech Limited	India	74.00%	74.00%
Merrygold Buildcon Private Limited	India	100.00%	100.00%
Sheshan Housing & Area Development Engineers Limited	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	100.00%	95.00%
Heet Builders Private Limited	India	94.40%	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%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '1': (Contd.)

Name of the Subsidiaries	Country of Incorporation	Percentage of Voting Power as at 31 March 2014	Percentage of Voting Power as at 31 March 2013
Vishal Techno Commerce Limited	India	100.00%	100.00%
Yantti Buildcon Private Limited	India	100.00%	100.00%
Heeler Hospitality Private Limited	India	100.00%	100.00%
Headland Farming Private Limited	India	100.00%	100.00%
Citygold Education Research Limited	India	100.00%	100.00%
Citygold Farming Private Limited	India	100.00%	100.00%
India Development and Construction Venture Capital Private Limited	India	100.00%	100.00%
ABP Realty Advisors Private Limited	India	100.00%	100.00%
Heddle Knowledge Private Limited	India	100.00%	100.00%
Joynest Premises Private Limited	India	77.71%	77.71%

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

	Country of Incorporation	Percentage of Voting Power as at 31 March 2014	Percentage of Voting Power as at 31 March 2013
Associates			
Whitebud Developers Limited	India	50.00%	50.00%
Forefront Realty Private Limited (upto 30th June, 2013)	India	—	26.00%
Glamorous Properties Private Limited (upto 31st December, 2013)	India	—	25.00%
Holiac Realty Private Limited	India	48.00%	48.00%
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%
Jointly Controlled Entities :			
Hubtown Bus Terminal (Adajan) Private Limited	India	45.00%	50.00%
Hubtown Bus Terminal (Mehsana) Private Limited	India	45.00%	50.00%
Hubtown Bus Terminal (Vadodara) Private Limited	India	45.00%	50.00%
Hubtown Bus Terminal (Ahmedabad) Private Limited	India	45.00%	50.00%
Hubtown Bus Terminal (Surat) Private Limited (*)	India	45.00%	50.00%
Sunstream City Private Limited	India	43.00%	43.00%
Hoary Realty Limited	India	39.51%	39.51%
Rare Townships Private Limited	India	40.00%	40.00%
Joyous Housing Private Limited (Formerly known as Joyous Housing Limited)	India	25.00%	25.00%
Primeria JV (upto 30th June, 2013)	India	—	26.00%
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%

(*) Interest through jointly controlled entity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '1' : (Contd.)

	Country of Incorporation	Percentage of Voting Power as at 31 March 2014	Percentage of Voting Power as at 31 March 2013
Jointly Controlled Entities :			
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	India	50.00%	50.00%
Akruti SMC JV (#)	India	50.00%	50.00%
Gandhi Adhivitiya Combine (#)	India	45.00%	45.00%
Panama JV (#) (upto 1st April, 2013)	India	—	87.60%
Gulati Estate JV	India	75.00%	75.00%

(#) Interest through subsidiaries.

NOTE '2'

The significant accounting policies and notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the companies. 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 the 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 recognized in the period in which the results are known / materialized.

III. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Company and the revenue can be reliably measured and also when it is reasonably certain that the ultimate collection will be made and that there is buyers' commitment to make the complete payment.

A. Revenue from sale of properties / rights :

- i. Revenue from sale of 'finished properties / buildings / rights' is recognised on transfer of all significant risks and rewards of ownership of such properties / building / rights, as per the terms of the contracts entered into with buyer/(s), which generally coincides with the firming of the sales contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards.
- ii. For projects commenced and period where revenue is recognised before April 1, 2012:
Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met;
 - a. 25% of the total estimated construction and development costs of the project; and
 - b. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '3' : (Contd.)

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 recognized in the financial statements for the period in which such changes are determined.

- iii. For projects commenced on or after April 1, 2012 and also for projects which have already commenced but where revenue is being recognised for the first time on or after April 1, 2012:

Revenue from sale of incomplete properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met:

- a. All critical approvals necessary for the commencement of the project have been obtained;
- b. The expenditure incurred on construction and development costs, excluding land costs, is not less than 25% of the total estimated construction and development costs of the project;
- c. Atleast 25% of the saleable project area is secured by agreements with the buyers; and
- d. Atleast 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

Further, revenue recognized in the aforesaid manner and related costs are both restricted to 90% until the construction activity and related formalities are substantially completed. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed on the Company by statutory authorities is postponed till such obligations are substantially discharged.

Estimated costs relating to construction / development are charged to the Statement of Profit and Loss in proportion to the revenue recognized 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 recognized in the aforesaid manner.

- iv. From the current year, the Company has adopted the principles of revenue recognition on the basis of "Guidance note on Accounting Treatment for Real Estate Transactions (Revised 2012)" issued by The Institute of Chartered Accountants of India, for all projects on which revenue recognition was not commenced till 31 March, 2012. Revenue recognition policy on real estate transactions, which was followed in the previous year is continued to be followed on such erstwhile projects. There is no impact on the current year profits on account of such change in revenue recognition policy.
- v. Losses expected to be incurred on projects under construction, are charged in the Statement of Profit and Loss in the period in which the losses are known.
- vi. Costs of the projects are based on the management's estimate of the costs 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.
- vii. 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:

Revenue from 'project management services' is recognized based on the agreements between the Company and the parties, to whom such 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, which is considered as a part of other operating activity.

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 recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

F. Others:

Other revenues / incomes and costs / expenditure are 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '3' : (Contd.)

- B. Tangible assets disclosed under 'Non-Current Investments' 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. 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. 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 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 of materials at Site' includes cost of purchase, other costs incurred in bringing them to their respective present location and condition. Cost formula used is average cost.
- B. 'Incomplete Projects' include cost of incomplete properties for which the Company has not entered into sale agreements and in other cases where the revenue recognition is postponed. 'Incomplete Projects' also include initial project costs that relate directly to a (prospective) project, incurred for the purpose of securing the project. These costs are recognized as expenditure 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 investments' 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 investments' as 'Investment properties' and provision for depreciation / amortisation is made to comply with the requirements of Accounting Standard AS-19 – 'Leases' and Accounting Standard AS-13 – 'Investments'.
- D. Value of 'Floor Space Index' (FSI) generated is recognized as inventory at cost (i.e. Proportionate Rehab Component Cost) as and when necessary obligations / conditions are fulfilled in entirety, which are imposed on the Company by the statutory authorities (viz. Rehabilitation Authority, etc.), in lieu of which the FSI is allotted to the Company. The value of FSI is either carried as inventory (at cost) held for intended sale or with the intention to utilise in construction of projects undertaken for sale.

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. Investments

- A. Investments are classified into Current and Non Current / 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 recognize decline, other than temporary, in the value of long term investments.
- B. Current Account in Partnership Firms and Joint Ventures represent additional contribution, share of profits and losses and excess withdrawal of funds. Additional contribution and share of profits to the extent not withdrawn is carried as 'Current Investment in Partnership Firms and Joint Ventures' under 'Current / Non Current Investment' as the case may be. Excess withdrawals and share of losses are booked under 'Other Current Liabilities'.

VIII. Operating Cycle

Receivables and Payables in relation to operations (Projects) are considered as 'Current Assets' and 'Current Liabilities' as the case may be considering the nature of real estate business of the Company, unless otherwise provided by an agreement.

All other assets and liabilities have been classified as provided in Revised Schedule VI, issued by the Institute of Chartered Accountants of India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '3' : (Contd.)

IX. Employee benefits

- A. Short term employee benefits are recognized 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 recognized during the year in which the related service is rendered;
 - ii. Defined benefit plans: The present value of 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 recognized in a manner similar to defined benefit plans;
- D. Termination Benefits are recognized as an expense in the Statement of Profit and Loss for the year in which they are incurred;
- E. Actuarial gains / losses are recognized in 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 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 prevalent on the dates of the relevant transactions.
- B. Monetary Assets and Liabilities in foreign currency, outstanding as on the Balance Sheet date, are converted in reporting currency at the closing rates of exchange prevailing on the said date. Resultant gain or loss is recognized during the year in the Statement of Profit and Loss.
- C. Non monetary assets and liabilities denominated in foreign currencies are carried at the exchange rate prevalent on the date of the transaction.

XII. Segment reporting

The Company is mainly 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. Reference is invited to Note 37.

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. Provisions, contingent liabilities and contingent assets

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

XV. 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 the 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 recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '4'

SHARE CAPITAL

AUTHORISED

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

ISSUED, SUBSCRIBED AND PAID UP

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

Total

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

Add/(Less) :

Issued during the year

Buyback during the year

Conversion during the year

At the end of the year (Nos.)

Total

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ 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
72,735,871	72,735,871
72,735,871	72,735,871

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

Hemant M. Shah

Vyomesh M. Shah

Hemant M. Shah with Vyomesh M. Shah

Mahipatray V. Shah (HUF)

Hemant M. Shah (HUF)

Vyomesh M. Shah (HUF)

Kunjai H. Shah

Falguni V. Shah

Others

Total

31 March, 2014		31 March, 2013	
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%
600,000	0.82%	600,000	0.82%
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%
26,535,871	36.48%	26,535,871	36.48%
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 the remaining assets of the Company in proportion to the number of equity shares held by each shareholder, after settlement of all preferential obligations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '5'

RESERVES AND SURPLUS

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Securities premium reserve		
Balance as per last Balance Sheet	60,713.89	66,122.67
Add / (Less) :		
Adjustment made during the year	—	(5,408.78)
	60,713.89	60,713.89
Debenture redemption reserve (Refer footnote a)		
Balance as per last Balance Sheet	11,135.00	11,925.00
Add / (Less) :		
Amount transferred from surplus balance in the Statement of Profit and Loss	3,000.00	—
Amount transferred to general reserve	(660.00)	(790.00)
	13,475.00	11,135.00
General reserve		
Balance as per last Balance Sheet	20,311.21	19,521.21
Add / (Less) :		
Amount transferred from debenture redemption reserve	660.00	790.00
	20,971.21	20,311.21
Capital reserve		
Balance as per last Balance Sheet	5,802.49	644.59
Add / (Less) :		
Amount on consolidation of subsidiaries	—	5,157.90
	5,802.49	5,802.49
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	61,627.52	62,685.57
Profit for the year (including share in joint ventures)	2,293.37	(212.69)
Reversal of proposed equity dividend and tax thereon (Refer footnote b)	696.35	—
Less: Appropriations		
Proposed equity dividend (Refer footnote c)	727.36	727.36
Tax on proposed equity dividend	123.61	118.00
Transfer to debenture redemption reserve (Refer footnote a)	3,000.00	—
Total appropriations	3,850.97	845.36
Net surplus in the Statement of Profit and Loss	60,766.27	61,627.52
Total	161,728.86	159,590.11

Footnotes:

- During the year, the Company transferred an amount of ₹ 3,000.00 Lacs (P.Y. ₹ Nil) to debenture redemption reserve in accordance with the provisions of Section 117C of the Companies Act, 1956.
- In view of the liquidity crunch faced by the Company, and in order to conserve the scarce liquid resources, at the request of the promoters and the promoter group, the Board of Directors of the Company in its meeting held on September 30, 2013 recommended a dividend of ₹ 1/- per share for the year ended March 31, 2013 only on equity shares (12,735,871 equity shares) held by non-promoter shareholders i.e. other than on the equity shares (60,000,000 equity shares) held by the promoters/promoter group. Accordingly, a dividend of ₹ 1/- per share was declared on 12,735,871 equity shares at the Twenty Fifth Annual General Meeting of the Company held on September 30, 2013. The excess provision for dividend and dividend tax thereon amounting to ₹ 696.35 lacs no longer required has been written back.
- The Board of Directors has recommended a dividend of ₹ 1/- per equity share of face value of ₹ 10/- per share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- During the year, the Company has not invested / deposited ₹ 2,826.41 lacs (P.Y. ₹ 3,162.68 lacs) in specified liquid funds as per the requirement of General Circular No. 4/2013 dated 11/02/2013 issued by the Ministry of Corporate Affairs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	Non Current Portions		Current Maturities	
	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '6'				
LONG-TERM BORROWINGS				
Debentures (Secured);				
4,000,000 (P.Y. 2,000,000) Redeemable non-convertible debentures of the face value of ₹ 100/- each (Refer footnote a)	4,000.00	2,000.00	—	—
7,999 (P.Y. 7,999) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote b)	—	2,904.19	2,904.19	3,872.25
10,000 (P.Y. Nil) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote c)	—	—	10,000.00	—
2,500 (P.Y. 2,500) Redeemable, non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote d)	—	—	2,500.00	2,500.00
Nil (P.Y. 1,000) Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each	—	—	—	4,712.29
Term loans (Secured) :				
From banks (Refer footnote e)	50,396.75	60,827.69	30,478.21	23,957.71
From financial institutions (Refer footnote f)	—	500.00	1,461.44	2,350.00
From other companies (Refer footnote g)	9,478.00	1,450.00	1,450.00	—
Deposits (Unsecured): (Refer footnote h)				
From related parties	—	999.86	687.90	74.50
From public	—	119.03	202.18	98.90
Other loans and advances:				
Loans from others (Secured) (Refer footnote i)	6,817.86	6,582.16	41.25	77.15
Loans from others (Unsecured)	—	—	—	384.74
	70,692.61	75,382.93	49,725.17	38,027.54
Share in Joint Ventures	8,708.12	10,400.93	5,388.63	395.64
Amount disclosed under "Other Current Liabilities" (Refer Note '12')	—	—	(55,113.80)	(38,423.18)
Total	79,400.73	85,783.86	—	—

Footnotes:

- 17.75% Secured Debentures having a term of 84 months from the issue date 1st February, 2013 and 13th June, 2013 respectively, will be converted into Class "B" Shares in a subsidiary in whole or in part with voting rights of 26.00% at the option of the investor but not before the expiry of 36 months. These debentures are secured by personal guarantees of the promoters of Hubtown Limited.
- 4499, 18.50% Debentures & 3000, 25.17% Debentures having redeemable balance of ₹ 36,000 each and 500, 18.50% Debentures having redeemable balance of ₹ 40,909 each are to be redeemed in nine equal monthly installments, the last installment falls due on 22nd December, 2014. These debentures are secured by a 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 of Hubtown Limited.
- 20 % Debentures of ₹ 10,000.00 lacs (P.Y. 12% ₹ 10,000.00 lacs Unpaid Matured Debentures) have been restructured as per consent terms dated 08th August, 2013 to be redeemed on or before 31st July, 2014. The said debentures are secured by first and exclusive charge on the premises located at MIDC, Andheri (East), Mumbai. Further, attention is invited to footnote (a) of Note 12 with regard to previous year figure.
- 21% Debentures of ₹ 2,500.00 lacs are redeemable in February 2015. These debentures are secured by mortgage on the immovable properties located at Balewadi, Pune.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '6' (Contd.)

- e. Secured term loans from banks carry interest rates within a range of 13.50 % to 17.25 %. 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 located at Bandra, Mumbai. ii. First charge by way of escrow of receivables from above projects.
2. Bank of Maharashtra	i. Mortgage on land and structures at projects located in Andheri (East), Bandra (East), Mumbai and Pune. ii. First charge by way of escrow of receivables from above projects.
3. UCO Bank	i. Mortgage on land and structures thereto in respect of projects at Thane ii. Registered mortgage of the premises in the project located at Andheri (East), Mumbai. iii. First charge of lease rent receivables from above premises.
4. Indusind Bank	i. Registered mortgage of the premises in the project located at Andheri (East), Mumbai. ii. First charge of lease rent receivables from above premises.
5. Dena Bank	i. Mortgage of unsold area of commercial project at Andheri (East), Mumbai. ii. First charge by way of escrow of receivables from above project. iii. Registered mortgage of the premises in the project located at Mahalaxmi, Mumbai. iv. First charge of lease rent receivables from above premises.
6. Oriental Bank of Commerce	i. Mortgage of unsold units of residential projects located in Andheri (East). ii. First charge by way of escrow of receivables from above projects.
7. Union Bank of India	i. Registered mortgage of the premises in the project located at Andheri (East) and Mahalaxmi. ii. First charge of lease rent receivables from above premises.
8. United Bank of India	i. Registered mortgage of the premises in the project located at Andheri (East). ii. First charge of lease rent receivables from above premises.

- f. Secured loans from the financial institutions carry interest rate of 17.5%. These loans are secured against pledge of equity shares in the Company held by the promoters alongwith personal guarantees of promoters and premises in the project located at Andheri (East), Mumbai.
- g. Secured loans from companies carry interest rates within a range of 18.00% to 20.00%. These loans are secured against pledge of equity shares in the Company and in the subsidiary held by the promoters and by the Company respectively alongwith personal guarantees of promoters. These loans are further secured against premises in the project located at Andheri (East), Mumbai and receivables from the project located at Matunga (West), Mumbai.
- h. Unsecured public deposits carry interest rates within a range of 10.50% to 11.00%. The same will become repayable within a year.
- i. Secured loans of ₹ 62.11 lacs are vehicle loans from others, which carry interest rates within a range of 10% to 11% and will be repaid between December, 2015 to January, 2019. Other secured loans amounting to ₹ 6797.00 Lacs are secured against pledge of equity shares in the Company held by the promoters alongwith personal guarantees of promoters.
- j. Details of repayment of long term borrowings are as follows :

Particulars	Up to 1 year	2 to 5 years	Above 5 years	Total
Term loan from Banks	30,478.21	34,892.98	15,503.77	80,874.96
Term loan from Financial Institutions	1,461.44	—	—	1,461.44
Term loan from Companies	1,450.00	9,478.00	—	10,928.00
Loan from Others	41.25	6,817.86	—	6,859.11
Total	33,430.90	51,188.84	15,503.77	100,123.51

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

Particulars	31 March, 2014		31 March, 2013	
	Amount	Period	Amount	Period
Term loans from Banks				
Overdue instalments	1,247.53	Sep 13 to Mar 14	—	
Interest	1,238.45	Dec 13 to Mar 14	—	
Term loans from Financial Institutions				
Overdue instalments	961.44	Dec 13 to Mar 14	—	
Term loans from Companies				
Interest	36.76	Nov 13 to Mar 14	—	
Total	3,484.18			

- l. The Company has not provided for interest and allied costs or accounted for liabilities on funds received from debenture holders. The Company is in the process of negotiating with them and the impact, if any, on the financials of the Company after the conclusion of the negotiations is not expected to be material.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '7'

LONG TERM TRADE PAYABLES

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Trade payables	2,122.61	2,142.09
Share in Joint Ventures	539.37	2,351.01
Total	2,661.98	4,493.10

NOTE '8'

OTHER LONG TERM LIABILITIES

Advances against land procurement	1,486.78	1,390.45
Security Deposits from customers	399.08	416.93
Other payables	10.58	—
	1,896.44	1,807.38
Share in Joint Ventures	708.99	165.11
Total	2,605.43	1,972.49

NOTE '9'

PROVISIONS

Provisions for employee benefits

Provision for gratuity	—	—	34.43	26.65
Provision for leave benefit	67.79	65.37	6.69	1.67

Other provisions

Provision for Income tax	—	—	39.86	70.01
Provision for Wealth tax	—	—	10.22	7.78
Proposed equity dividend	—	—	727.36	727.36
Provision for tax on equity dividend	—	—	123.61	118.00
	67.79	65.37	942.17	951.47

Share in Joint Ventures	4.52	5.09	42.69	54.81
Total	72.31	70.46	984.86	1,006.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '10'

SHORT TERM BORROWINGS

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

Short term loans :

- from companies (Secured) (Refer footnote b)

Loans repayable on demand:

- from companies (Secured) (Refer footnote c)

- from companies (Unsecured) (Refer footnote d)

- from others (Unsecured) (Refer footnote d)

Deposits (Unsecured)

- from public (Refer footnote e)

Loans from related parties (Unsecured)

Share in Joint Ventures

Total

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
1,484.67	1,630.71
7,444.00	12,200.00
1,447.78	—
14,589.09	17,109.12
12,923.35	7,561.37
150.75	228.00
—	60.66
38,039.64	38,789.86
9,551.24	9,586.70
47,590.88	48,376.56

Footnotes:

- Working capital loans from banks carry an interest rate of 15.44%. These loans are secured against the mortgage of premises located at MIDC, Andheri (East), Mumbai and further secured by a personal guarantee of one or more promoters.
- Secured short term loans from companies carry an interest rate of 17% to 21% repayable within a year. These loans are secured against mortgage of unsold area of commercial and residential projects at Andheri (East) and Worli, Mumbai, land situated at Uran (Raigad), pledge of equity shares in the Company held by the promoters and their family members and further secured by a personal guarantee of one or more promoters.
- Secured loan from a company carries an interest rate of 21% and is repayable on demand. This loan is secured against the mortgage of unsold area of commercial project at Andheri (East).
- Unsecured loans from companies and others carry an interest rates within a range of 15% to 36% and are repayable on demand.
- Unsecured short term public deposits carry an interest rate of 10%. The same will become due as per the respective maturity dates.
- Period and amount of default as on Balance Sheet date in repayment of term loans and interest :

Particulars	31 March, 2014		31 March, 2013	
	(₹ in lacs)	Period	(₹ in lacs)	Period
Short term loans from companies :				
Overdue installments	5,000.00	Mar 14	—	
Interest	518.90	Dec 13 to Mar 14	—	
Total	5,518.90		—	

NOTE '11'

TRADE PAYABLES

Trade payables

Share in Joint Ventures

Total

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
10,918.69	11,080.98
6,690.01	6,010.89
17,608.70	17,091.87

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '12'

OTHER CURRENT LIABILITIES

Other current liabilities

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Current maturities of long-term debt (Refer Note 6)	49,725.17	38,027.54
Interest accrued and due on borrowings	6,994.18	2,287.45
Interest accrued but not due on borrowings	322.64	1,587.00
Overdrawn bank balances as per books of account	140.72	256.42
Share application money	595.97	—
Advances from customers	50,185.21	46,502.92
Unpaid matured debentures and interest accrued thereon	3,035.68	14,356.95
Investor Education and Protection Fund will be credited by the following amounts (as and when due):		
- Unclaimed/unpaid dividends	4.80	4.40
Other payables :		
- Statutory dues (Refer foot note b)	5,099.88	4,481.73
- Current account balance in Firms and Joint Ventures	469.91	0.01
- Employees benefits payables	12.49	16.89
- Security Deposits (Refundable)	8,586.98	1,285.37
- On account of Equity Shares with differential voting rights and Preference Shares of jointly controlled entities	17,319.34	13,769.26
- Other miscellaneous	6,930.17	8,884.32
	149,423.14	131,460.26
Share in Joint Ventures	19,084.79	7,826.96
	168,507.93	139,287.22

Footnotes:

- a. Period and amount of default as on the Balance Sheet date in respect of matured debentures and interest accrued thereon :

Particulars	31 March, 2014		31 March, 2013	
	(₹ in lacs)	Period	(₹ in lacs)	Period
Overdue Installments:				
1,000 (P.Y. Nil) Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each (Refer note i)	211.85	Dec 13	—	
7,999 (P.Y. Nil) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer note ii)	2,296.13	Jul 13	—	
10,000 Redeemable non-convertible debentures of the face value of ₹ 100,000 each	—	—	10,000.00	Mar 13
Interest:				
7,999 (P.Y. Nil) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer note ii)	527.70	Jul 13	—	
10,000 Redeemable non-convertible debentures of the face value of ₹ 100,000 each	—		4,356.95	Mar 13
Total	3,035.68		14,356.95	

Note :

- 1,000 17% Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each, secured by a mortgage / charge on the immovable properties located at Jogeshwari (East), Mumbai, first charge of the premises on 3rd floor in the project located at Andheri (East) and by pledge of equity shares held by promoters and their family members in the Company.
 - 4,999 18.50% debentures and 3000, 25.17% debentures are secured by a 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.
- b. One of the subsidiary has not discharged tax liability of ₹ 242.69 lacs under Maharashtra Value Added Tax Act, 2002 for the F.Y. 2011-12. Provision is made for tax liability as well as interest payable thereon till March 31, 2014. However, the subsidiary may have to bear the consequences of non compliance with the provisions of the said Act, nature and amount of which cannot be determined as on date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '13'

FIXED ASSETS

(₹ in lacs)											
SR. NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31 March, 2013	Additions / (Adjustments) during the year	Deductions / Adjustments	As at 31 March, 2014	As at 31 March, 2013	Provided during the year	Deductions / Adjustments	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
A	Tangible Assets										
	Freehold land	2.92	—	—	2.92	—	—	—	—	2.92	2.92
	Leasehold land	2,583.88	—	—	2,583.88	89.55	28.56	—	118.11	2,465.77	2,494.33
	Commercial premises (Refer footnote a)	1,494.26	—	—	1,494.26	218.81	62.30	—	281.11	1,213.15	1,275.45
	Mivan system	419.67	—	53.28	366.39	359.31	26.81	53.28	332.84	33.55	60.36
	Computers & laptops (Refer footnote b)	43.93	6.50	(0.25)	50.68	35.67	4.90	(0.24)	40.81	9.87	8.26
	Furniture & fixtures (Refer footnote c)	588.71	53.05	—	641.76	274.17	66.93	0.01	341.09	300.67	314.54
	Plant & machinery	129.71	2.70	0.41	132.00	21.77	15.27	0.03	37.01	94.99	107.94
	Vehicles	935.04	39.87	84.09	890.82	534.49	103.22	68.81	568.90	321.92	400.55
	Office equipment (Refer footnote d)	138.83	26.46	—	165.29	42.67	14.13	—	56.80	108.49	96.16
		6,336.95	128.58	137.53	6,328.00	1,576.44	322.12	121.89	1,776.67	4,551.33	4,760.51
	Share in Joint Ventures (Refer footnote to Note 28)	—	—	—	—	—	—	—	—	4,249.45	4,405.12
	A	6,336.95	128.58	137.53	6,328.00	1,576.44	322.12	121.89	1,776.67	8,800.78	9,165.63
B	Intangible Assets										
	Computer softwares	536.77	—	0.25	536.52	356.81	101.23	0.02	458.02	78.50	179.96
	Technical know-how	74.55	—	—	74.55	25.98	3.64	—	29.62	44.93	48.57
		611.32	—	0.25	611.07	382.79	104.87	0.02	487.64	123.43	228.53
	Share in Joint Ventures									25.43	42.42
	B	611.32	—	0.25	611.07	382.79	104.87	0.02	487.64	148.86	270.95
C	Capital Work-in-Progress									1,110.00	1,166.31
	Share in Joint Ventures	—	—	—	—	—	—	—	—	49.70	12.25
	C	—	—	—	—	—	—	—	—	1,159.70	1,178.56
	GRAND TOTAL (A+B+C)	6,948.27	128.58	137.78	6,939.07	1,959.23	426.99	121.91	2,264.31	10,109.34	10,615.14

Footnotes:

- Commercial premises include cost of shares aggregating ₹ 0.04 lacs (P.Y. ₹ 0.04 lacs) carrying the occupancy rights in the commercial premises.
- Computers include ₹ 0.70 Lacs (P.Y. ₹ 1.34 Lacs) on account of acquisition / consolidation of new subsidiaries.
- Furniture & Fixtures include ₹ Nil (P.Y. ₹ 8.65 Lacs) on account of acquisition / consolidation of new subsidiaries.
- Office Equipment include ₹ Nil (P.Y. ₹ 8.22 Lacs) on account of acquisition / consolidation of new subsidiaries.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
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)	5,049.57	5334.43
Less: Accumulated depreciation /amortisation	737.17	645.96
	4,312.40	4,688.47
Share in Joint Ventures	1,232.76	1,343.06
	5,545.16	6,031.53
B) Investment in equity instruments (At cost)		
I. Associate Companies		
a) 8,000 Equity shares of ₹ 10/- each (P.Y. 8,000)		
Pristine Developers Private Limited	0.80	0.80
Share of Accumulated Reserves / Profit / (Loss)	1,246.53	881.26
Share of Current Profit / (Loss)	116.58	365.27
	1,363.91	1,247.33
b) Current Year: Nil (Equity shares of ₹ 10/- each) (P.Y. 312,500)		
Glamorous Properties Private Limited	—	100.00
Share of Accumulated Reserves / Profit / (Loss)	2.24	—
Share of Current Profit / (Loss)	(2.24)	2.24
Transfer on dilution of holding	—	—
	—	102.24
c) 24,000 Equity shares of ₹ 10/- each (P.Y. 24,000)		
Holiac Realty Private Limited	2.40	2.40
Share of Accumulated Reserves/Profit/(Loss)	(2.40)	—
Share of Current Profit / (Loss)	—	(2.40)
	—	—
d) 25,000 Equity shares of ₹ 10/- each (P.Y. 25,000)		
Whitebud Developers Limited	2.50	2.50
Share of Accumulated Reserves / Profit / (Loss)	(2.50)	(2.50)
Share of Current Profit / (Loss)	—	—
	—	—
e) 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)	(0.50)	(0.50)
Share of Current Profit / (Loss)	—	—
	—	—
f) 5,000 Equity shares of ₹ 10/- each (P.Y. 5,000)		
Harbinger Developers Private Limited	0.50	0.50
Share of Accumulated Reserves/Profit/(Loss)	—	—
Share of Current Profit / (Loss)	—	—
	0.50	0.50
g) 4,350 Equity shares of ₹ 10 /- each (P.Y. 4,350)		
Yellowcity Builders Private Limited	0.44	0.44
Share of Accumulated Reserves / Profit / (Loss)	3.64	1.78
Share of Current Profit / (Loss)	—	1.86
	4.08	4.08
c / f	1,368.49	1,354.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '14' (Contd.)

	b / f	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
h) 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)		1,368.49 0.61 (0.61) — —	1,354.15 0.61 (0.61) — —
i) 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)		27.71 (8.79) (7.73) 11.19	27.71 (3.54) (5.25) 18.92
j) Current Year: Others Equity shares of ₹ 10/- each (P.Y. 2,600) Forefront Realty Private Limited Share of Accumulated Reserves / Profit / (Loss) Share of Current Profit / (Loss)		— — — —	0.26 — — 0.26
		1,379.68	1,373.33
II. 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) 766 Class 'A' Equity shares of ₹ 500/-each (P.Y. 766) 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) 150 Equity shares of ₹ 29/- each (P.Y. 150) Shamrao Vithal Co-operative Bank Limited		0.04	0.04
g) 7,353 Class 'B' Equity shares of ₹ 10 each (P.Y. 7,353) Giraffe Developers Private Limited		5,004.79	5,004.79
h) 2 Equity shares of ₹ 10/- each (P.Y. 2) Hoary Realty Limited		1.12	1.12
i) 2,000 Equity shares of ₹ 10/- each (P.Y. 2,000) Suraksha Realty Limited		0.20	0.20
j) 1,900 Equity shares of ₹ 10/- each (P.Y. Associate) Forefront Realty Private Limited		0.19	—
k) 1 Equity share of ₹ 10/- each (P.Y. 1) E-Commerce Magnum Solution Limited		1.00	1.00
n) 150,000 Equity shares of ₹ 10/- each (P.Y. Nil) Asha Multitrade Private Limited		1,500.00	—
o) 150,000 Equity shares of ₹ 10/- each (P.Y. Nil) Jineshwar Multitrade Private Limited		2,700.00 9,277.57	— 5,077.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '14' (Contd.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
C) Investment in Preference Shares (At Cost)		
a) 6,671, 21% Cumulative Convertible Preference Shares of ₹ 100,000/- each (P.Y. 6,671) E-Commerce Magnum Solution Limited	6,671.00	6,671.00
b) 900,000 21% Cumulative Redeemable Preference Shares of ₹ 100/- each (P.Y. Nil) Holiac Realty Private Limited	90.00	—
c) 1865, 3% Cumulative Redeemable Preference Shares of ₹ 10/- each (P.Y. Nil) Hoary Realty Limited	0.19	—
	6,761.19	6,671.00
D) Investment in Debentures (At Cost)		
a) 31,910,000 9% Optionally convertible debentures of ₹ 10/- each (P.Y. 31,910,000) Asmeeta Infratech Limited	3,191.00	3,191.00
b) 150,000 20% Optionally convertible debentures of ₹ 5,000/- each (P.Y. 150,000) Giraffe Developers Private Limited (Refer footnote b)	7,500.00	7,500.00
	10,691.00	10,691.00
E) Investment in Mutual Funds (At cost) (Other than Trade)		
Growth Option:		
a) 140,243.216 (P.Y. Nil) units of Canara Robeco Dynamic Bond Fund [NAV ₹ 13.7551 per unit (P.Y. Nil)]	19.00	—
b) Current year : Nil (P.Y. 399,056) units of Canara Robeco Gold Saving Fund [NAV ₹ Nil (P.Y. ₹ 9.7837 per unit)]	—	39.04
c) Current year : Nil (P.Y. 15,419.36) units of Canara Robeco Indigo Fund [NAV ₹ Nil (P.Y. ₹ 12.8927 per unit)]	—	1.99
	19.00	41.03
F) Investment in Bonds		
Cholamandalam Investments and Finance Co. Limited Current Year: Nil (P.Y. 71, 12.90% Bonds of ₹ 500,000/- each)	—	355.00
G) Capital Investment in Non Controlling Joint Venture (Net)	13.20	5.00
Less: Provision for diminution in the value of investments (Refer footnote c)	1.60	—
	11.60	5.00
H) Current Investment in Non Controlling Joint Venture	—	49.61
(B+C+D+E+F+G+H)	28,140.04	24,263.35
Share in Joint Ventures	41.07	4.50
Sub-total	28,181.11	24,267.85
Total	33,726.27	30,299.38
Aggregate amount of quoted investments	19.00	41.03
Aggregate amount of unquoted investments [Net of provision for diminution in the value of investment ₹1.60 Lacs (P.Y. ₹ Nil)]	33,707.27	30,258.35

Footnotes:

- Investment property includes property of ₹ 769.00 lacs acquired from a subsidiary in earlier years for which the Company is in the process of registering the same in its name.
- The face value of investment in the debentures of ₹ 7500.00 lacs represent the balance value of consideration of sale of development rights in earlier years receivable in future. Since the sale consideration was inclusive of profit and interest, no interest was charged separately on the debentures. However, in view of the inability of the Issuer to repay the balance outstanding amount of the debentures on the due date, an arrangement has been reached between the Company as debenture holder and the Issuer, whereby the Issuer has agreed to pay interest on the balance amount of the outstanding debentures @ 20 % p.a. with effect from April 1, 2013 till the date of redemption of the debentures.
- The provision for diminution represents remaining portion of the provision made in earlier years towards capital in a non-controlling joint venture, which was earlier accounted as per Accounting Standard (AS-27) – Financial Reporting of Interests in Joint Ventures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '15'

DEFERRED TAX ASSETS (NET)

Deferred Tax Liability

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

Others

Gross deferred tax liability

Deferred Tax Asset

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

Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis

Others

Gross deferred tax asset

Share in Joint Ventures

Total

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
(21.59)	(48.42)
—	—
(21.59)	(48.42)
214.63	233.80
2,980.00	495.39
306.08	475.45
3,500.71	1,204.64
—	—
3,479.12	1,156.22

NOTE '16'

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

- to others

Doubtful

Less: Provision for doubtful advances

Project advances to related parties

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

- to related parties

- to others

Doubtful

Less: Provision for doubtful advances

c / f

Non Current		Current	
31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
5,816.78	11,606.56	9,786.56	8,692.13
602.00	602.00	—	—
(602.00)	(602.00)	—	—
5,816.78	11,606.56	9,786.56	8,692.13
987.54	1,040.81	29.82	3.47
—	—	42,594.52	54,020.60
—	—	16,126.27	3,659.15
—	—	—	170.76
—	—	—	(170.76)
—	—	58,720.79	57,679.75
12,207.56	—	—	—
—	—	2,223.01	2,963.54
7,400.40	9,935.38	16,978.98	18,802.71
689.93	689.93	—	—
(689.93)	(689.93)	—	—
7,400.40	9,935.38	19,201.99	21,766.25
26,412.28	22,582.75	87,739.16	88,141.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

b / f	Non Current		Current	
	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Other loans and advances:	26,412.28	22,582.75	87,739.16	88,141.60
Advances towards share application / purchase of shares in entities for interest in projects and others				
- to related parties	660.45	660.45	—	1,500.00
- to others	842.65	908.01	4,393.06	4,254.52
Advance income tax	3,285.72	4,466.70	758.39	—
Loans to employees	—	—	0.63	2.47
	4,788.82	6,035.16	5,152.08	5,756.99
	31,201.10	28,617.91	92,891.24	93,898.59
Share in Joint Ventures	466.18	456.26	17,131.13	19,500.35
Total	31,667.28	29,074.17	110,022.37	113,398.94

NOTE '17'

OTHER ASSETS

Non current bank balances (Refer Note 21)	880.02	1,077.69	—	—
Unbilled revenue	—	—	23,395.63	22,876.34
Prepaid expenses	42.58	68.62	588.21	756.43
Unamortised ancillary cost of arranging the borrowings	481.57	1,271.34	1,293.23	1,141.73
Other receivables (Other than trade)	6,000.00	6,000.00	3,606.44	2,826.67
Others :				
- Interest accrued on fixed deposits	22.19	333.90	67.12	197.51
- Interest accrued on investments	—	—	577.04	129.42
	7,426.36	8,751.55	29,527.67	27,928.10
Share in Joint Ventures	12,235.83	9,885.98	915.31	1,060.02
Total	19,662.19	18,637.53	30,442.98	28,988.12

NOTE '18'

CURRENT INVESTMENTS (UNQUOTED)

(Trade, unless otherwise specified)

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

Daily Dividend Option

State Bank of India Mutual Fund

20.542 (P.Y. 19.1932 units) [NAV ₹ 1675.03 (P.Y. ₹ 1675.03) per unit]

Growth Option

UTI Treasury Advantage Fund

240921.258 Units (P.Y. 22,436.566 Units) [NAV ₹ 1002.3540 (P.Y. ₹ 1584.04) per unit]

Share in Joint Ventures

Total

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
0.34	0.32
2,414.89	355.41
2,415.23	355.73
677.44	2,364.36
3,092.67	2,720.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '19'

INVENTORIES

(Valued at lower of cost and net realisable value)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Stock at site	315.70	625.53
Floor space index (FSI)	646.09	1,088.68
Incomplete projects	115,318.85	108,031.25
Finished properties	244.29	—
	116,524.93	109,745.46
Share in Joint Ventures	97,081.61	80,142.23
Total	213,606.54	189,887.69

Footnote:

The projects are under various stages of development and are expected to have net realisable value greater than the cost.

NOTE '20'

TRADE RECEIVABLES

Trade receivables (Unsecured Considered Good)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Outstanding for a period exceeding six months	11,145.16	4,525.34
Other receivables	3,478.71	5,135.84
	14,623.87	9,661.18
	4,557.14	7,539.91
Share in Joint Ventures	19,181.01	17,201.09

NOTE '21'

CASH AND BANK BALANCES

Cash and Cash Equivalents:

Cash on hand		
Balances with banks;		
- In Current accounts		
- Deposits with maturity of less than three months		

Share in Joint Ventures

Other Bank Balances:

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
Unpaid dividend accounts	—	—	5.44	5.04
Deposits with maturity of more than three months but less than twelve months	—	683.21	118.84	70.00
Deposits with maturity of more than twelve months (Refer footnote)	310.12	4.19	—	—
Margin Money Deposits (Refer footnote)	569.90	390.29	796.24	878.05
	880.02	1,077.69	920.52	953.09
Share in Joint Ventures	8.41	15.12	806.95	830.24
	888.43	1,092.81	1,727.47	1,783.33
Amount disclosed under Other Non-Current Assets (Refer Note 17)	(888.43)	(1,092.81)	—	—
Total	—	—	4,205.85	14,434.15

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '22'

REVENUE FROM OPERATIONS

Sales from Operations:

Sale of properties / rights in projects (Net)

Project management services

Share of loss from non-controlling joint venture

Other Operating Income:

Lease rentals

Income on investments in joint ventures developing real estate projects (Refer footnote)

Miscellaneous Income

Sale of materials

Share in Joint Ventures

Total

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
35,479.04	30,792.62
39.01	17.44
(39.76)	—
35,478.29	30,810.06
279.46	1,453.91
7,208.34	4,927.20
217.52	48.96
3.47	—
7,708.79	6,430.07
43,187.08	37,240.13
4,418.87	6,865.62
47,605.95	44,105.75

Footnote:

The above income consists of interest charged to joint ventures on account of investments made in the nature of loans and advances.

NOTE '23'

OTHER INCOME

Dividend from current investments

Interest:

- Loans

- Debentures (Refer footnote)

- Bank fixed deposits

- Others

Surplus on sale / discardment of fixed assets (Net)

Surplus on sale of investments

Gain on foreign currency fluctuation

Liabilities written back to the extent no longer required

Miscellaneous income

Share in Joint Ventures

Total

46.46	5.42
1,887.69	7,851.46
1,787.19	2,614.82
231.72	288.91
87.33	676.72
3,993.93	11,431.91
1.57	0.01
0.10	41.86
0.24	0.14
1,402.84	199.42
249.59	157.15
1,654.34	398.58
5,694.73	11,835.91
1,643.28	698.43
7,338.01	12,534.34

Footnote:

Includes Current Year: ₹ Nil (P.Y. ₹ 2,000.00 lacs) yield compensation (interest) arising on account of restructuring the terms of investment made through Debentures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '24'		
COSTS OF CONSTRUCTION / DEVELOPMENT		
Construction costs incurred during the year	18,287.48	15,865.26
Add / (Less):		
Transferred to capital work-in-progress during the year	(9.37)	—
	18,278.11	15,865.26
Share in Joint Ventures	15,550.93	11,658.71
Total	33,829.04	27,523.97
NOTE '25'		
CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI		
Opening Inventory :		
Floor space index (FSI)	1,088.68	229.06
Incomplete projects	108,031.25	98,327.72
Finished properties	—	—
	109,119.93	98,556.78
Add / (less) :		
Written down value of finished property transferred from investment property sold during the year [Refer Note 3 (VI) (c)]	177.52	—
Reduction of inventory on account of dilution in subsidiary	—	(1,399.38)
Addition to inventory on account of acquisition of subsidiaries / projects	2,618.81	3,167.24
	111,916.26	100,324.64
Closing Inventory :		
Floor space index (FSI)	646.09	1,088.68
Incomplete projects	115,318.85	108,031.25
Finished properties	244.29	—
	116,209.23	109,119.93
	(4,292.97)	(8,795.29)
Share in Joint Ventures	(20,710.94)	(13,483.46)
Total	(25,003.91)	(22,278.75)
NOTE '26'		
EMPLOYEE BENEFITS EXPENSE		
Salaries, bonus, etc.	1,844.47	1,356.12
Contribution to provident and other funds	34.61	32.05
Staff welfare expenses	72.34	46.40
Other fund expenses	5.41	5.73
	1,956.83	1,440.30
Share in Joint Ventures	503.90	396.68
Total	2,460.73	1,836.98

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '27'		
FINANCE COSTS		
Interest:		
- Debentures	3,415.07	5,663.41
- Fixed loans	23,102.88	22,507.25
- On delayed payments	643.10	590.82
- Others	3,091.07	4,899.72
	30,252.12	33,661.20
Other borrowing costs	1,635.22	2,180.24
	31,887.34	35,841.44
Share in Joint Ventures	3,785.49	7,616.90
Total	35,672.83	43,458.34
NOTE '28'		
DEPRECIATION AND AMORTIZATION		
Depreciation on tangible fixed assets	322.12	407.29
Amortization on intangible assets	104.87	98.85
Depreciation on investment property	198.55	148.42
	625.54	654.56
Share in Joint Ventures (Refer footnote)	359.16	415.23
Total	984.70	1,069.79
Footnote: During the year, one of the partnership firms has revised the estimated useful life of immovable assets in the nature of site office and furniture and fixtures based on completion of assessment report. Based on such revised estimates, these assets are amortised over a period of 42 months from April 1, 2013. On account of the same, share of current year depreciation is lower by ₹ 331.44 lacs.		
NOTE '29'		
OTHER EXPENSES		
Insurance	101.49	49.23
Rent	63.30	202.82
Rates and taxes	131.40	107.92
Advertisement expenses	464.48	275.69
Advances and other debit balances written off	0.18	47.55
Donations	285.66	64.46
Brokerage	497.98	451.53
Bad Debts	17.54	28.81
Directors' fees and travelling expenses	20.62	30.89
Commission to non-executive directors	—	44.94
Provision for diminution in value of current investments	—	0.97
Repairs and society maintenance charges	458.08	202.23
Project expenses written off / amortised	1.09	—
Legal and professional fees	1,054.85	1,127.63
Expenditure incurred on joint venture projects written off	—	421.19
Other expenses	1,326.18	880.92
Loss on foreign currency fluctuations	5.43	5.95
Loss on sale of current investments	3.55	—
Interest on delayed payments	3.59	2.51
	4,435.42	3,945.24
Share in Joint Ventures	1,553.47	1,615.46
Total	5,988.89	5,560.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
NOTE '30'		
PRIOR PERIOD ADJUSTMENTS (NET)		
Debits relating to earlier years:		
Finance costs	(2.19)	(14.44)
Legal and professional fees	(6.98)	(15.23)
Other expenses	(2.31)	(110.95)
Credits relating to earlier years:		
Finance costs	15.77	124.67
Other expenses	0.20	12.10
Lease Income	2.39	—
	6.88	(3.85)
Share in Joint Ventures	15.07	(254.98)
Total	21.95	(258.83)
NOTE '31'		
EARNINGS PER SHARE (EPS)		
Net Profit / (Loss) as per Statement of Profit and Loss	2,293.37	(212.69)
Weighted average number of equity shares outstanding during the year (Nos.)	72,735,871	72,735,871
Earnings per equity share (Nominal value per share ₹ 10/- each):		
Basic and diluted (Amount in ₹)	3.15	(0.29)

NOTE '32'

A major fire took place at the Registered Office of the Company on December 23, 2011, causing extensive damage and destruction of records and assets of the Company, including financial accounting records. The management is of the opinion that no significant adjustments would be necessary to the position reported in the financial statements, upon reconstruction of balance documents and records.

NOTE '33'

RELATED PARTIES DISCLOSURES

A. Names of related parties and description of relationship

I. Associates

- 1 Citywood Builders Private Limited
- 2 Comral Realty Private Limited
- 3 Forefront Realty Private Limited (upto June 30, 2013)
- 4 Gallant Infotech Private Limited
- 5 Glamorous Properties Private Limited (upto December 31, 2013)
- 6 Harbinger Developers Private Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

- 7 Holiac Realty Private Limited
- 8 Pristine Developers Private Limited
- 9 Whitebud Developers Limited
- 10 Vinca Developer Private Limited
- 11 Yellowcity Builders Private Limited

II. Jointly controlled entities

- 1 Hoary Realty Limited
- 2 Hubtown Bus Terminal (Adajan) Private Limited
- 3 Hubtown Bus Terminal (Ahmedabad) Private Limited
- 4 Hubtown Bus Terminal (Mehsana) Private Limited
- 5 Hubtown Bus Terminal (Surat) Private Limited
- 6 Hubtown Bus Terminal (Vadodara) Private Limited
- 7 Joyous Housing Private Limited (formerly known as Joyous Housing Limited)
- 8 Rare Townships Private Limited
- 9 Rukshmani Properties Private Limited (from February 12, 2014)
- 10 Sunstream City Private Limited
- 11 Akruti GM JV
- 12 Akruti Jay Chandan JV
- 13 Akruti Jay Developers
- 14 Akruti Kailash Constructions
- 15 Akruti Realty Forefront Combine
- 16 Akruti Steelfab Corporation
- 17 Akruti SMC JV
- 18 Gandhi Adhivitiya Combine
- 19 Gulati Estate JV
- 20 Hiranandani Akruti JV
- 21 Panama JV
- 22 Shreenath Realtors
- 23 Sole Builders
- 24 Primeria JV (upto June 30, 2013)

III. Key Management Personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director

IV. Relatives of Key Management Personnel

- 1 Mrs. Lata M. Shah, Mother of Executive Chairman and Managing Director
- 2 Mrs. Kunjal H. Shah, Wife of Executive Chairman
- 3 Mrs. Falguni V. Shah, Wife of Managing Director
- 4 Mr. Rushank V. Shah, Son of Managing Director
- 5 Mr. Khilen V. Shah, Son of Managing Director
- 6 Mr. Kushal H. Shah, Son of Executive Chairman
- 7 Mrs. Nutan Dhanki, Sister of Executive Chairman and Managing Director
- 8 Mrs. Hemanti Parekh, Sister of Executive Chairman and Managing Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

- 9 Hemant M. Shah HUF- Karta Executive Chairman
- 10 Vyomesh M. Shah HUF- Karta Managing Director
- 11 Mahipatray V. Shah HUF- Karta Executive Chairman
- 12 Mahipatray V. Shah Discretionary Trust- Trustees Executive Chairman and Managing Director
- 13 Estate of Mahipatray V Shah – Beneficiary Executive Chairman and Managing Director

V. Enterprises where Key Management Personnel or their relatives exercise significant influence

- 1 Ackruti Campus of Research and Education Private Limited
- 2 Ackruti City Private Limited
- 3 Akruti Nirman Private Limited
- 4 Akruti City Private Limited
- 5 Bigcity Developers Private Limited
- 6 Buildbyte. Com. (India) Private Limited
- 7 BVU Media Private Limited
- 8 Category Consultancy Private Limited
- 9 Cetogory Trading Private Limited
- 10 Citygold Management Services Private Limited
- 11 Crossway Realtors Private Limited
- 12 Fourjone Realtors Private Limited
- 13 Glamorous Properties Private Limited (from January 01, 2014)
- 14 Harmony Erectors Private Limited
- 15 Helik Advisory Limited
- 16 Helictite Residency Private Limited
- 17 Hieratical Lavana Limited
- 18 Hogmanay Niharika Buildings Limited
- 19 Ichha Constructions Private Limited
- 20 Jihant Housing Private Limited
- 21 Joya Habitat Private Limited
- 22 Leading Work Properties Private Limited
- 23 Lista City Private Limited
- 24 Lilac Realty Private Limited
- 25 Megh Releases Private Limited
- 26 Moonzone Developers Private Limited
- 27 Nova Realty Private Limited
- 28 Riseway Buildcon Private Limited
- 29 Saffron Mercantile Private Limited
- 30 Saicharan Consultancy Private Limited
- 31 Sanskriti Developers Private Limited
- 32 Starzone Developers Private Limited
- 33 Sunzone Developers Private Limited
- 34 Sunmist Builders Private Limited
- 35 Superaction Realty Private Limited
- 36 Superzone Developers Private Limited
- 37 Trans Gulf MEP Engineers Private Limited
- 38 Ukay Valves and Founders Private Limited
- 39 Vishwajeet Consultancy Private Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

B. Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
i.	Loans and Advances received/ recovered/ adjusted			
	Comral Realty Private Limited	3,873.03 (10.00)	— (—)	— (—)
	Citywood Builders Private Limited	6,611.98 (—)	— (—)	— (—)
	Others	1,559.73 (251.50)	4,592.48 (6,264.69)	14.50 (9,395.93)
ii.	Loans and Advances given/ repaid/adjusted (including other payments)			
	Akruti SMC JV	— (—)	411.53 (114.81)	— (—)
	Sunstream City Private Limited	— (450.25)	1,557.50 (1,808.23)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	936.09 (396.77)	— (—)
	Others	23.09 (2,763.48)	— (3,256.55)	6.62 (8,328.82)
iii.	Business Advances received / recovered / adjusted			
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	1,528.62 (—)	— (—)
	Others	258.40 (—)	244.34 (—)	— (—)
iv.	Business Advances given / repaid / adjusted			
	Citywood Builders Private Limited	6,775.73 (—)	— (—)	— (—)
	Comral Realty Private Limited	3,932.31 (—)	— (—)	— (—)
	Holiac Realty Private Limited	1,586.22 (—)	— (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	1,528.62 (—)	— (—)
	Others	— (—)	401.60 (—)	— (—)
v.	Interest received			
	Sunstream City Private Limited	— (8,308.39)	7,197.26 (—)	— (—)
	Others	151.07 (933.92)	11.08 (353.79)	48.72 (117.23)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
vi.	Interest paid			
	Mahipatray Shah (Family Discretionary Trust)	— (—)	— (—)	8.45 (—)
	Mahipatray Shah HUF	— (—)	— (—)	10.08 (7.84)
	Nutan Dhanki	— (—)	— (—)	7.70 (—)
	Others	— (—)	— (47.91)	46.15 (25.92)
vii.	Deposits received			
	Hemant M. Shah	— (—)	— (—)	— (103.50)
	Vyomesh M. Shah	— (—)	— (—)	— (138.30)
	Kunjal H. Shah	— (—)	— (—)	— (33.08)
	Rushank V. Shah	— (—)	— (—)	— (30.00)
	Hemant M. Shah HUF	— (—)	— (—)	— (98.92)
	Mahipatray V. Shah HUF	— (—)	— (—)	— (96.00)
	Others	— (—)	— (—)	— (207.00)
viii.	Deposits repaid / pre-matured			
	Kunjal H. Shah	— (—)	— (—)	— (663.00)
	Rushank V. Shah	— (—)	— (—)	— (197.51)
	Hemant M. Shah (HUF)	— (—)	— (—)	— (170.00)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	— (240.00)
	Others	— (—)	— (—)	— (775.40)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
ix.	Directors' Remuneration			
	Hemant M. Shah	— (—)	— (—)	80.58 (85.98)
	Vyomesh M. Shah	— (—)	— (—)	72.51 (77.31)
	Madhukar Chobe	— (—)	— (—)	— (38.25)
	Remuneration to relatives of KMPs			
	Rushank V. Shah	— (—)	— (—)	11.26 (—)
	Khilen V. Shah	— (—)	— (—)	11.26 (—)
x.	Investments (including Debentures) made			
	Akruti Jay Developers	— (—)	1,100.83 (—)	— (—)
	Shreenath Realtors	— (—)	1,095.89 (—)	— (—)
	Sole Builders	— (—)	513.22 (—)	— (—)
	Others	90.00 (—)	713.45 (1,247.26)	— (—)
xi.	Investments transferred/ withdrawn			
	Akruti Jay Chandan	— (—)	247.86 (—)	— (—)
	Akruti Jay Developers	— (—)	445.75 (—)	— (—)
	Akruti Kailash Constructions	— (—)	256.53 (—)	— (—)
	Gulati Estate JV	— (—)	1,000.00 (—)	— (—)
	Others	0.07 (—)	195.11 (98.73)	— (—)
xii.	Advance against share application adjusted/refunded			
	Rare Townships Private Limited	— (—)	— (445.40)	— (—)
	Others	— (2.50)	— (—)	— (2.50)
xiii.	Purchase of Transferable Development Rights / Properties			
	Akruti SMC JV	— (—)	— (125.12)	— (—)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xiv.	Sale of Transferable Development Rights/ Incomplete Projects			
	Fourjone Realtors Private Limited	(—)	— (—)	— (3,971.72)
	Starzone Developers Private Limited	(—)	— (—)	— (3,000.00)
xv.	Services received/availed			
	Citygold Management Services Private Limited	— (—)	— (—)	739.35 (703.34)
	Others	— (—)	— (—)	2.12 (3.08)
xvi.	Services rendered			
	Akruti Jay Chandan JV	— (—)	39.01 (19.60)	— (—)
xvii.	On behalf payments made (including reimbursement of expenses)			
	Akruti SMC JV	— (—)	93.02 (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	103.89 (103.89)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	45.87 (37.09)	— (—)
	Others	37.72 (15.62)	86.38 (300.01)	0.50 (—)
xviii.	On behalf payments received/adjusted			
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	64.87 (1.94)	— (—)
	Primeria JV	— (—)	113.17 (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	92.23 (139.70)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	152.05 (15.79)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	108.68 (5.02)	— (—)
	Other	— (2,197.19)	87.66 (468.48)	— (—)
xix.	Advance given towards purchase of flat			
	Fourjone Realtors Private Limited	— (—)	— (—)	100.00 (—)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xx.	Advance refunded towards purchase of flat			
	Fourjone Realtors Private Limited	— (—)	— (—)	100.00 (—)
xxi.	Share of profit from Partnerships/Joint Ventures			
	Akruti Jay Chandan JV	— (—)	17.66 (3.53)	— (—)
	Aarti Projects and Constructions	— (—)	— (2,812.71)	— (—)
xxii.	Share of loss from Partnerships/Joint Ventures			
	Akruti Realty Forefront Combine	— (—)	0.96 (2.88)	— (—)
	Hiranandani Akruti JV	— (—)	110.49 (26.27)	— (—)
	Akruti Steelfab Corporation	— (—)	0.05 (0.03)	— (—)
	Shreenath Realtors	— (—)	0.05 (—)	— (—)
	Sole Builders	— (—)	1.19 (0.77)	— (—)
	Primeria JV	— (—)	0.17 (1.20)	— (—)
	Akruti Kailash Constructions	— (—)	2.35 (0.74)	— (—)
	Gulati Estate JV	— (—)	0.03 (0.02)	— (—)
	Akruti Jay Developers	— (—)	187.19 (164.28)	— (—)
	Akruti GM JV	— (—)	1.60 (0.98)	— (—)
xxiii.	Sale of Shares			
	Kunjal H. Shah	— (—)	— (—)	50.00 (0.30)
	Falguni V. Shah	— (—)	— (—)	50.00 (0.30)
	Rushank V. Shah	— (—)	— (—)	— (0.10)
	Khilen V. Shah	— (—)	— (—)	— (0.10)
	Kushal H. Shah	— (—)	— (—)	— (0.10)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxiv.	Purchase of Shares			
	Kunjal H. Shah	— (—)	— (—)	— (0.05)
	Falguni V. Shah	— (—)	— (—)	— (0.05)
	Rushank V. Shah	— (—)	— (—)	— (0.05)
	Khilen V. Shah	— (—)	— (—)	— (0.05)
	Kushal H. Shah	— (—)	— (—)	— (0.05)
xxv.	Dividend paid			
	Hemant M. Shah	— (—)	— (—)	— (58.00)
	Vyomesh M. Shah	— (—)	— (—)	— (75.40)
	Mahipatray V. Shah HUF	— (—)	— (—)	— (96.00)
	Hemant M. Shah HUF	— (—)	— (—)	— (68.92)
	Vyomesh M. Shah HUF	— (—)	— (—)	— (41.00)
	Kunjal H. Shah	— (—)	— (—)	— (53.08)
	Falguni V. Shah	— (—)	— (—)	— (63.60)
	Rushank V. Shah	— (—)	— (—)	— (36.00)
	Khilen V. Shah	— (—)	— (—)	— (36.00)
	Kushal H. Shah	— (—)	— (—)	— (36.00)
	Lata M. Shah	— (—)	— (—)	— (24.00)
	Others	— (—)	— (—)	— (12.00)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxvi.	Cost of Construction			
	Akruti Jay Developers	— (—)	200.00 (—)	— (—)
xxvii.	Corporate guarantees given for loans availed by others			
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	4,802.74 (—)	— (—)
	Hoary Realty Limited	— (—)	7,984.51 (—)	— (—)
	Holiac Realty Private Limited	168.61 (—)	— (—)	— (—)
	Akruti Jay Chandan	— (—)	197.60 (—)	— (—)
xxviii.	Corporate guarantees vacated for on behalf payments			
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	460.48 (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	1,361.16 (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	155.27 (—)	— (—)
	Balances outstanding			
xxix.	Receivable *			
	Citywood Builders Private Limited	6,720.74 (6,611.98)	— (—)	— (—)
	Sunstream City Private Limited	— (—)	46,654.64 (39,033.73)	— (—)
	Others	7,071.88 (12,229.16)	1,595.68 (12,534.46)	2,645.05 (4,277.06)
xxx.	Payable *			
	Vinca Developer Private Limited	1,061.00 (1,061.00)	— (—)	— (—)
	Citygold Management Services Private Limited	— (—)	— (—)	483.60 (490.44)
	Others	— (—)	140.09 (951.27)	746.18 (227.46)

Footnote:

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '33' (Contd.)

B. Transactions with Related Parties (Contd.)

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxxi.	Corporate guarantees given for loans availed by others (Amount outstanding thereagainst)			
	Pristine Developers Private Limited	4,727.31 (5,235.95)	— (—)	— (—)
	Akruti SMC JV	— (—)	1,042.19 (1,213.05)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	2,307.03 (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	2,217.39 (1,985.58)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	1,215.31 (814.06)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	4,802.74 (—)	— (—)
	Holiac Realty Private Limited	168.61 (—)	— (—)	— (—)
	Akruti Jay Chandan	— (—)	197.60 (—)	— (—)
	Hoary Realty Limited	— (—)	7,984.51 (—)	— (—)
	Corporate guarantees given for on behalf payments (Amount outstanding thereagainst)			
	Hubtown Bus Terminal (Mehsana) Private Limited	(—)	— (1,237.41)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (141.15)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (418.62)	— (—)
xxxii.	Personal Guarantees of Directors			
	Banks	— (—)	— (—)	65,984.29 (70,056.30)
	Debenture Trustees	— (—)	— (—)	16,810.35 (21,204.17)
	Financial Institutions	— (—)	— (—)	20,381.38 (16,329.66)
xxxiii.	Guarantees / Securities by way of shares of KMPs and their relatives in the Company pledged against loans availed by the Company	— (—)	— (—)	50,290.62 (68,703.60)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '34'

EFFECT OF ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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 31 March, 2014 are given below:

	(₹ in lacs)	
	Acquisition	Disposal
Net Asset	—	—
	(6,570.81)	(1,458.26)
Total Revenue	—	—
	(25.72)	(0.01)
Loss before tax	—	—
	(15.64)	(0.66)
Loss after tax	—	—
	(15.64)	(0.66)

Footnote:

Figures in bracket represent information pertaining to previous year.

NOTE '35'

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.

Lease Rental Receivables:

Not later than one year

Later than one year but not later than five years

Later than five years

	31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
	423.26	434.48
	621.96	969.64
	170.71	409.37
(A) Claims against the Company not acknowledged as debts on account of :		
1) Income tax matters under appeal.	3,219.03	2,662.02
2) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax).	646.27	568.46
3) Development permission from forest department.	156.22	156.22
4) Other Matters.	59,107.85	51,085.45
5) Charge created on the assets of jointly controlled entity in favour of bankers/ financial institution for loan availed by other body corporate.	6,323.20	5,142.40
(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 (amount outstanding thereagainst). (Refer footnote).	33,278.73	22,116.40
(C) On account of land 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 aggregator.	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.

Footnote:

Contingent liabilities including corporate guarantees are identified by the Company and relied upon by the auditors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '37'

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 which though commenced commercial operations, are not material. 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 operations become material. Further, the group operates within a single geographical segment.

NOTE '38'

Akruti Kailash Constructions ('the firm') had entered into an agreement and sold FSI to a customer in earlier year and 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 ₹ 146.83 Crore. (P.Y. ₹ 168.47 Crore). 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 '39'

Variation between the Accounting Policies followed by various entities within the group :

Depreciation calculated on Written Down Value method at the rates prescribed by 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 hereunder :

Net Block :

- i) Tangible Assets
- ii) Intangible Assets

31 March, 2014 (₹ in lacs)	31 March, 2013 (₹ in lacs)
554.44	696.84
0.95	—

NOTE '40'

DISCLOSURE AS PER GUIDANCE NOTE ON ACCOUNTING FOR REAL ESTATE TRANSACTIONS (REVISED 2012)

Project Revenue Recognised in the reporting period	23,524.96	19,165.51
Aggregate amount of cost incurred till date	187,508.38	160,862.44
Advances received (Net of revenue recognition) (Refer footnote a)	50,185.21	46,502.92
Work-in-Progress	115,569.10	108,031.25
Value of Inventories	116,524.93	109,745.47
Unbilled Revenue	23,395.63	22,876.35

Footnotes:

- a. Includes amounts received from customers against projects on which revenue is not recognised till date.
- b. Above information excludes information pertaining to joint venture entities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

NOTE '41'

The 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 '42'

Loans from financial institutions, debentures holders and loans & advances are subject to confirmation and are considered payable / realisable, as the case may be.

NOTE '43'

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

As per our report of even date

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

DINESH DOSHI
PARTNER

Mumbai
Date: 29th May, 2014

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

ANNEXURE - I

SUMMARY OF FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2014

Disclosure pursuant to general exemption under Section 212 (8) of the Companies Act, 1956 granted by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011

(₹ in lac)

Name of Subsidiary Company	Share Capital including Share Application Money	Reserves and Surplus	Total Assets (Non-Current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-Current Investments	Total Liabilities (Non-Current Liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Current and Non-Current Investments (excluding investment in subsidiary companies)	Turnover and Other Income	Profit / (Loss) before Taxation	Provision for Taxation (Less) / Add	Profit / (Loss) after Taxation	Proposed Dividend and Tax thereon
ABP Realty Advisors Private Limited	181.00	(180.99)	5.08	5.07	—	0.87	0.19	(0.07)	0.12	—
Akruti Safeguard Systems Private Limited	26.76	(1204.00)	712.48	1889.72	—	215.15	(291.62)	26.41	(265.21)	—
Adhivitiya Properties Limited	5.00	(435.15)	384.65	1346.84	532.04	(21.31)	(34.92)	—	(34.92)	—
Arnav Gruh Limited	5.00	(1026.29)	1126.70	2294.08	146.09	52.64	47.06	(0.14)	46.92	—
Citygold Education Research Limited	343.00	3380.12	6693.71	5670.59	2700.00	—	(41.85)	—	(41.85)	—
Citygold Farming Private Limited	259.75	2809.00	15032.81	13464.06	1500.00	—	(5.30)	—	(5.30)	—
Devkrupa Build Tech Limited	5.00	(873.03)	62.14	930.17	—	343.49	(9.34)	—	(9.34)	—
Diviniti Projects Private Limited	5.00	490.65	516.73	21.31	0.23	—	(4.80)	0.02	(4.78)	—
Gujarat Akruti-TCG Biotech Limited	2375.21	(362.78)	2365.49	353.06	—	0.10	(56.03)	—	(56.03)	—
Halitious Developer Limited	10.00	299.36	978.79	669.43	—	—	(37.93)	—	(37.93)	—
Headland Farming Private Limited	1.00	162.49	1752.62	1589.13	—	—	(2.80)	—	(2.80)	—
Hedde Knowledge Private Limited	1.00	(265.16)	7314.86	7579.02	—	194.94	(80.42)	—	(80.42)	—
Heeler Hospitality Private Limited	1.00	12.69	601.77	588.08	—	—	(0.84)	—	(0.84)	—
Heet Builders Private Limited	5.00	(116.03)	11330.19	11441.22	—	342.07	(35.07)	—	(35.07)	—
India Development and Construction Venture Capital Private Limited	5.00	(24.42)	0.08	19.50	—	—	(1.92)	—	(1.92)	—
Joynest Premises Private Limited	10471.95	(180.20)	21179.76	13302.89	2414.88	1478.64	(110.61)	—	(110.61)	—
Merrygold Buildcon Private Limited	1.00	(3.48)	6.50	8.98	—	0.02	(0.59)	—	(0.59)	—

SUMMARY OF FINANCIAL STATEMENT OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2014

Disclosure pursuant to general exemption under Section 212 (8) of the Companies Act, 1956 granted by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011

(₹ in lac)

Name of Subsidiary Company	Share Capital including Share Application Money	Reserves and Surplus	Total Assets (Non-Current Assets + Current Assets + Deferred Tax Assets) excluding Current and Non-Current Investments	Total Liabilities (Non-Current Liabilities + Current Liabilities + Deferred Tax Liabilities)	Details of Current and Non-Current Investments (excluding investment in subsidiary companies)	Turnover and Other Income	Profit / (Loss) before Taxation	Provision for Taxation (Less) / Add	Profit / (Loss) after Taxation	Proposed Dividend and Tax thereon
Sheshan Housing and Area Development Engineers Limited	5.00	68.83	76.14	2.31	—	—	(1.09)	—	(1.09)	—
Upvan Lake Resorts Private Limited	1.20	(20.25)	490.88	509.93	—	10.77	(3.11)	—	(3.11)	—
Urvi Build Tech Limited	5.00	(869.64)	374.29	1238.93	—	193.46	(114.62)	(1.35)	(115.97)	—
Vama Housing Limited	5.00	(292.46)	12.80	447.67	147.41	6.25	(5.66)	0.11	(5.55)	—
Vega Developers Private Limited	300.00	(7.41)	1922.25	1629.66	—	—	(5.31)	—	(5.31)	—
Vishal Nirman (India) Limited	5.00	(7.84)	1.75	4.59	—	—	(0.80)	—	(0.80)	—
Vishal Techno Commerce Limited	5.00	2114.56	3468.18	1348.62	—	17.33	(20.79)	43.55	22.76	—
Yantti Buildcon Private Limited	5.00	(12.86)	5493.54	5501.40	—	3.32	(4.69)	—	(4.69)	—

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

ANIL AHLUWALIA
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2014

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[CIN : L45200MH1989PLC050688]

Registered Office : Ackruti Center Point, 6th floor, Central Road, Marol MIDC,
Andheri (East), Mumbai 400093, Phone: + 91 22 67037400; Fax: + 91 22 67037403;
E-mail : investorcell@hubtown.co.in ; Website : www.hubtown.co.in

E - COMMUNICATION REGISTRATION FORM

Dear Shareholder(s),

We draw your attention to the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the relevant Rules thereunder, whereby companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their e-mail address with the Company's Registrar and Transfer Agent or with the Depository.

As a part of Green Initiative in Corporate Governance, we invite all our esteemed shareholders to fill up the form given below for receiving communication from the Company in electronic mode. You can also download the appended registration form from the website of the Company : www.hubtown.co.in.

Please note that as a member of the Company, you will be entitled to receive all such communication in physical form, upon request.

With kind regards,

Chetan S. Mody
Company Secretary

Name of the Shareholder (s) (In Block Letters) including Joint holders, if any	

Folio No.	
DP ID No.	
Client ID No.	

I, shareholder of Hubtown Limited hereby agree to receive documents / notices from the Company in electronic mode and my e-mail address for receiving such communication is given below. Kindly register the said e-mail ID in your records for sending communication in electronic form.

E- mail - Id	
---------------------	--

Signature of the First Shareholder	
---	--

Date : _____, 2014

Important Notes :

1. The above e-mail address will be registered, subject to verification of your signature with the specimen signature registered with the Company.
2. On registration, all communication will be sent to the e-mail id registered in the Folio No./DP ID and Client ID.
3. This Form has been uploaded on the website of the Company : www.hubtown.co.in

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To:

Link Intime India Private Limited
Unit : Hubtown Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078

MANDATE FORM ELECTRONIC CLEARING SERVICE (ECS)

Name of the Sole / First Shareholder (in block letters)	
Folio No.	
No. of Shares held	
Name of the Bank and branch address	
Name of the Account and Account No. (as appearing on your cheque book)	
Ledger Folio No. (as appearing on your cheque book)	
9-Digit Code No. of the bank and branch as appearing on the MICR cheque issued by the bank	(please attach a copy of a blank cancelled cheque for verification)

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I will not hold the Company responsible. I agree to discharge my responsibilities as participant under the Scheme. I shall not hold the Bank responsible if the ECS could not be implemented or the Bank discontinued the ECS for any reason.

Date: _____

Signature of the Sole / First Shareholder

Name: _____

Address: _____

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(CIN : L45200MH1989PLC050688)

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Phone: + 91 22 67037400; Fax: + 91 22 67037403;

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

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013

and

Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered Address: _____

E-mail ID : _____

Folio / DP ID and Client ID : _____

I/We, being the members of _____ shares of the above named Company, hereby appoint :

1.	Name	Address
	E-mail ID	Signature or failing him/her;
2.	Name	Address
	E-mail ID	Signature or failing him/her;
3.	Name	Address
	E-mail ID	Signature

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on **THURSDAY, SEPTEMBER 25, 2014 at 10.00 a.m.** at 'Walchand Hirachand Hall', 4th floor, Indian Merchants' Chamber Building, Indian Merchant Chamber Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions and in such manner as indicated on the **reverse** :

P.T.O.

HUBTOWN

Resolution No.	Particulars of Resolution	Vote (Optional Note 3)	
		For	Against
Ordinary Business			
1.	Adoption of the Audited Financial Statements for the year ended March 31, 2014 together with the reports of the Board of Directors and Auditors thereon.		
2.	Declaration of dividend on equity shares.		
3.	Reappointment of Mr. Vyomesh M. Shah as a Director retiring by rotation.		
4.	Appointment of M/s. Doshi Doshi & Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.		
Special Business			
5.	Appointment of Mr. Arvind Kumar Joshi as an Independent Director.		
6.	Appointment of Mr. Abhijit Datta as an Independent Director.		
7.	Appointment of Mr. Sunil C. Shah as an Independent Director.		
8.	Appointment of Mrs. Priti K. Shah as a Non-Executive Director, retiring by rotation.		
9.	Ratification of remuneration payable to M/s. N. I. Mehta & Co., Cost Accountants for audit of cost accounting records of the Company for the Financial Year ending March 31, 2015.		

Signed this _____ day of _____ 2014.

Signature of Member _____

Affix Re. 1/-
Revenue
Stamp

Signature of Proxy holder _____

- N.B. :**
1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
 2. The Company reserves its right to ask for identification of the proxy.
 3. It is optional to put an (X) in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.
 4. For the resolutions and explanatory statement, please refer the Notice of the 26th Annual General Meeting.



(CIN : L45200MH1989PLC050688)

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

ATTENDANCE SLIP

Registered Folio / DP ID & Client ID	
No. of shares held	
Name and Address of the shareholder(s)	

I hereby certify that I am a member / proxy for the member of the Company.

I/We hereby record my presence at the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Company at Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Opp. Churchgate Railway Station, Mumbai 400 020 on **THURSDAY, SEPTEMBER 25, 2014 at 10.00 a.m.**

Member's / Proxy's name

Member's / Proxy's Signature

Note: A Member / Proxy holder attending the meeting must bring this Attendance Slip duly filled in and signed to the Meeting and hand it over at the entrance duly signed.

A Member /Proxy holder attending the meeting is requested to bring his/her copy of the Annual Report.

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Registered Office : Ackruti Center Point, 6th floor, Central Road, Marol MIDC, Andheri (East), Mumbai 400093
Phone: + 91 22 67037400; Fax: + 91 22 67037403; CIN : L45200MH1989PLC050688
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TWENTY SIXTH ANNUAL GENERAL MEETING – THURSDAY, SEPTEMBER 25, 2014

BALLOT FORM

[To be returned to the Scrutinizer appointed by the Company]

Name(s) of Member(s) including Joint-holders, if any	
Registered Address of the Sole/First named member	
Registered Folio No. / DP ID No. * / Client ID No.* (* - applicable to investors holding shares in demat form)	
No. of shares held	

I / We hereby exercise my / our vote in respect of the following resolutions to be passed at the Twenty Sixth Annual General Meeting (AGM) of the Company to be held on Thursday, September 25, 2014 at 10.00 a.m. in respect of businesses as stated in the Notice dated August 14, 2014, by conveying my/our assent or dissent to the said resolutions by placing the tick (√) mark in the appropriate boxes given below :

No.	Item No.	No. of shares held	I/We assent to the resolution [FOR]	I/We dissent to the resolution [AGAINST]
1.	Adoption of the Audited Financial Statements for the year ended March 31, 2014 together with the reports of the Board of Directors and Auditors thereon.			
2.	Declaration of dividend on equity shares			
3.	Reappointment of Mr. Vyomesh M. Shah, as a Director retiring by rotation.			
4.	Reappointment of M/s. Doshi Doshi & Associates, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.			
5.	Appointment of Mr. Arvind Kumar Joshi as an Independent Director of the Company.			
6.	Appointment of Mr. Abhijit Datta as an Independent Director of the Company.			
7.	Appointment of Mr. Sunil C. Shah as an Independent Director of the Company.			
8.	Appointment of Mrs. Priti K. Shah as a Non-Executive Director of the Company liable to retire by rotation.			
9.	Ratification of the remuneration payable to M/s. N. I. Mehta & Co., Cost Accountants for audit of the cost accounting records of the Company for the Financial Year ending March 31, 2015.			

Place : _____

Signature of the Member / Beneficial Owner

Date: _____

Note : Please read the instructions printed overleaf carefully before exercising your vote.

P. T. O.

INSTRUCTIONS

1. The Ballot Form is provided for the benefit of the members who do not have access to e-voting facility.
2. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. or by physically voting at the AGM. If a member casts multiple votes, then voting done through e-voting shall be considered valid. In case a member casts votes by ballot and also physically votes at the AGM, then the votes cast by ballot shall be considered valid.
3. The Scrutinizer will collate the votes downloaded from the e-voting system, the votes cast by ballot and the votes cast on poll at the AGM to declare the final result for each of the resolutions forming part of the Notice of the AGM.
4. Please complete and sign the Ballot Form and send it so as to reach the Scrutinizer Mr. Ashish Bhatt, practising company secretary (Membership No. : FCS 4650; CP No. 2956] on or before Friday, September 19, 2014 [6.00 p.m. IST]. No other form or photocopy thereof is permitted.
5. Ballot Forms received after September 19, 2014 shall be strictly treated as if the reply from the members has not been received.
6. The Ballot Form should be signed by the member as per the specimen signature registered with the Company/Depositories. In case of jointholding, the Form should be completed and signed by the first named member and in his/her absence, by the next named jointholder. A Power of Attorney holder (POA) may vote on behalf of a member, mentioning the registration no. of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of votes by Ballots not permitted through proxy.
7. In case the shares are held by companies, trusts, etc., the duly completed Ballot Form should be accompanied by a certified copy of the relevant Board Resolution / Authorization.
8. Votes should be cast in case of each resolution, either in favour or against by putting the tick (√) mark in the appropriate column provided in the Ballot Form.
9. The voting rights of the shareholders shall be in proportion of the share held by them in the paid-up equity share capital of the Company as on August 14, 2014 and as per the Register of Members of the Company.
10. A member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Ballot Form should reach the Scrutinizer not later than the date and time specified in serial no. 4 above.
11. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms shall be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member or as to whether the votes are cast in favour of or against or if the signature cannot be verified.
12. The decision of the Scrutinizer on the validity of a Ballot Form shall be final and binding.

HUBTOWN

NOTES

[illegible]

H U E T T O W N

NOTES

[illegible]



Ackruti Centre Point, Central Road, Marol MIDC, Andheri E.
Mumbai - 400 093. Tel.: +91 22 6683 0600. www.hubtown.co.in