

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF HUBTOWN LIMITED FOR RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT THAT ENVISAGES MERGER / AMALGAMATION OF DISTINCTIVE REALTY PRIVATE LIMITED (“DRPL” OR “TRANSFEROR COMPANY 1”) INTO AND WITH AMAZIA DEVELOPERS PRIVATE LIMITED (“ADPL” OR “TRANSFEE COMPANY 1”) (“AMALGAMATION I”) AND IMMEDIATELY AFTER COMING INTO EFFECT OF AMALGAMATION I, MERGER / AMALGAMATION OF AMAZIA DEVELOPERS PRIVATE LIMITED (“ADPL” OR “TRANSFEROR COMPANY 2”) AND NITANT REAL ESTATE PRIVATE LIMITED (“NREPL” OR “TRANSFEROR COMPANY 3”) INTO AND WITH HUBTOWN LIMITED (“TRANSFEE COMPANY 2”) (“AMALGAMATION II”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON TUESDAY, DECEMBER 30, 2025

Members Present:

1. Ms. Bhakti Jaywant Kothare – Chairperson
2. Mr. Kartik Ruparel – Member
3. Mr. Milin Jagdish Ramani - Member

1. Background

1.1. The proposal to consider and recommend draft Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”) involving the:

- a) merger / amalgamation of Distinctive Realty Private Limited (“DRPL” or “Transferor Company 1”) into and with Amazia Developers Private Limited (“ADPL” or “Transferee Company 1”) (“Amalgamation I”); and
- b) Immediately after coming into effect of Amalgamation as stated above, merger / amalgamation of Amazia Developers Private Limited (“ADPL” or “Transferor Company 2”) and Nitant Real Estate Private Limited (“NREPL” or “Transferor Company 3”) into and with Hubtown Limited (“HL” or “Transferee Company 2” or “Company”) (“Amalgamation II”).

with effect from the Appointed Date viz. beginning of day on October 01, 2025 (“Scheme”), was placed before and considered by members of the Audit Committee at its meeting held on Tuesday, December 30, 2025.

1.2. The equity shares of Hubtown Limited are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). The Company will be filing the draft Scheme along with the necessary documents / information with the BSE and NSE for their No-objection letter pursuant to Regulation 37 of SEBI (Listing Obligations and

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Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) and applicable statutory provisions.

- 1.3. The Report of the Audit Committee is made to comply with the requirements of SEBI LODR Regulations and master circular in relation to scheme of arrangement issued by SEBI having No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 covering all circulars issued by SEBI in relation to scheme of arrangement including any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of SEBI LODR Regulations (“SEBI Scheme Circular”), considering following:
- i. Draft Scheme, duly initialed by the directors of the Company for the purpose of identification;
 - ii. Draft Valuation Report issued by CA Shashank Maloo, an independent registered valuer (IBBI Registration No. – IBBI/RV/07/2019/12701) (“Registered Valuer”) appointed for recommending the fair share exchange ratio for the purpose of the Scheme;
 - iii. Draft Fairness Opinion Report issued by 3Dimension Capital Services Limited, a SEBI Registered Category-I Merchant Banker (SEBI Registration No: INM000012528), providing fairness opinion (“Fairness Opinion”) on the share exchange ratio recommended in the Valuation Report issued by Registered Valuer; and
 - iv. Draft certificate issued by JBTM & Associates LLP, Chartered Accountants (ICAI Firm Registration No. : W100365), the statutory auditors of the Transferee Company, as required under section 230(7)(e) of the Companies Act, 2013 and SEBI Scheme Circular certifying that the accounting treatment as specified in Clause 13 of the draft Scheme is in compliance with the applicable Indian Accounting Standards specified by the Central Government under section 133 of the Companies Act, 2013.

2. Proposed Scheme

- 2.1. The Scheme, inter-alia, provides the following:
- i. merger / amalgamation of Transferor Company 1 with Transferee Company 1 (“Amalgamation I”);
 - ii. immediately after coming into effect of Amalgamation I as stated above, merger / amalgamation of Transferor Company 2 and Transferor Company 3 into and with Transferee Company 2 (“Amalgamation II”); and
 - iii. various other matters consequential or otherwise integrally connected herewith

- 2.2. Appointed Date of the Scheme shall be the opening business hours of October 01, 2025, or such other date as the Hon'ble National Company Law Tribunal ("NCLT") may allow or direct and which is acceptable to the Board of Directors of the Transferor Company 1, Transferor Company 2, Transferor Company 3 (hereinafter collectively known as "**Merging Companies**") and Transferee Company 2.
- 2.3. Effective Date of the Scheme shall mean the last of the dates on which all the conditions as referred to in Clause 35 of the Scheme has been complied with, including filing of certified copy of the order, sanctioning the draft Scheme, passed by the Hon'ble NCLT with the Registrar of Companies by the Merging Companies and the Transferee Company 2 collectively.
- 2.4. The Scheme would be subject to the sanction or approval of the Hon'ble NCLT, SEBI, Stock Exchange(s), Shareholders, Creditors and other Appropriate Authorities (as defined in the Scheme).

3. Need for the merger and Rationale of Scheme

- 3.1. Transferor Company 1, Transferor Company 2 and Transferor Company 3 (hereinafter collectively known as "**Merging Companies**") are group companies, which are being jointly controlled, directly or indirectly, by persons forming part of the Promoter and Promoter Group of Transferee Company 2.
- 3.2. The Merging Companies collectively hold the entire equity stake in Twenty Five South Realty Limited ("**TFSRL**"), which is currently developing a super-luxury residential project named '25 South' located at Prabhadevi, Mumbai. TFSRL further holds 75% equity stake in Twenty Five Downtown Realty Limited ("**TFDRL**") which is currently developing a super-luxury residential project named '25 Downtown' located adjacent to the Willingdon Golf Club, Mahalaxmi. The balance 25% equity stake in TFDRL is held by Transferee Company 2 viz. Hubtown Limited. The said projects are envisioned as a premium high-end residential developments, strategically located in a prime areas of Mumbai, offering modern amenities. In light of their prime location and design attributes, the said projects are expected to attract significant interest from homebuyers and investors thereby contributing meaningfully to the growth trajectory, market standing and financial positions of the Merging Companies.
- 3.3. Considering the increasing demand for premium real estate in Mumbai and the unique features and location advantages of '25 South' and '25 Downtown', the said projects are anticipated to generate substantial financial returns for the Merging Companies.
- 3.4. Given that Transferor Company 1 is a wholly owned subsidiary of the Transferee Company 1, it is proposed to first amalgamate Transferor Company 1 into and with

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the Transferee Company 1 (“**Amalgamation I**”) and immediately upon coming into effect of Amalgamation I, it is proposed to amalgamate Transferor Company 2 and

Transferor Company 3 into and with the Transferee Company 2 (“**Amalgamation II**”), with effect from the Appointed Date of October 01, 2025 (“**Mergers**”).

- 3.5. The proposed Mergers are also intended to enhance the investment profile of the consolidated entity by aligning high-potential real estate assets with a broader business platform of the Transferee Company 2 and at the same time, discharge the consideration for acquisition / aggregation of ‘25 South’ and ‘25 Downtown’ through the merger of the Merging Companies into the Transferee Company 2, in the manner as stated in Para D above, in non-monetary form by issue of its equity shares to the shareholders of the Merging Companies. The integration is expected to position the Transferee Company 2 more favorably in the eyes of the existing and prospective shareholders, lenders and strategic partners, and further strengthen its standing as a key player in the real estate and infrastructure development sector.
- 3.6. In addition to the above, the merger / amalgamation of the Merging Companies with the Transferee Company 2, in the manner as stated in Para D above, will also provide ancillary benefits in the form of administrative and operational rationalization and promote organizational efficiencies with the achievement of greater economies of scale, reduction in overheads and improvement in various other operating parameters including administrative, managerial and other expenditure, and optimal utilization of resources by elimination of duplication of activities and related costs.
- 3.7. Thus, with an intent to achieve aforesaid objectives and further in order to consolidate, streamline and effectively merge the Merging Companies and the Transferee Company 2 in a single entity it is intended that the Merging Companies be merged / amalgamated with the Transferee Company 2, in the manner as stated in Para D above.
- 3.8. In view of the aforesaid objectives, the Board of Directors of the Merging Companies and the Transferee Company 2 have considered and proposed the amalgamation for the transfer and vesting of the Undertaking of Transferor Company 1 (as defined in the draft Scheme of Arrangement) and Undertaking of Transferor Companies (as defined in the draft Scheme of Arrangement) and business of the Merging Companies with and into the Transferee Company 2, in the manner as stated in Para D above, and other ancillary and incidental matters stated herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Merging Companies and the Transferee Company 2.
- 3.9. The amalgamation of the Merging Companies with the Transferee Company 2, in the manner as stated in Para D above, will combine the business, activities and operations of the Merging Companies and the Transferee Company 2 into a single company with effect from the Appointed Date and shall be in compliance with the

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provisions of the IT Act (as defined in the draft Scheme of Arrangement), including Section 2(1B) thereof or any amendments thereto.

4. Synergies of business of the entities involved in the Scheme

- 4.1. As elaborated in the rationale of the Scheme, the merger of Transferor Company 1 with Transferee Company 1 and subsequently the merger of Transferor Company 2 and Transferor Company 3 with Transferee Company 2 provides an opportunity to Transferee Company 2 to pool their resources and to expand their activities thus enabling establishment of a larger company with larger resources and a larger capital base thus enabling further development of the business of the companies. Also, it will result into economies of scales, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs.

5. Impact of the Scheme on the shareholders of the Company

- 5.1. Pursuant to the Scheme, equity shares of Transferee Company 2 are proposed to be issued to the shareholders of Transferor Company 2 and Transferor Company 3 on the basis of share exchange ratios, as recommended by the Registered Valuer. Further, the Fairness Opinion report from Merchant Banker has confirmed that the share exchange ratios as recommended by the Registered Valuer are fair for Transferor Company 2, Transferor Company 3, Transferee Company 2 and their respective shareholders.
- 5.2. The Scheme has been drafted keeping in mind the provisions of section 2(1B) of the Income-tax Act, 1961, as more particularly elaborated in Clause 14 and Clause 25 of the Scheme, and therefore it may not have any adverse tax implications.
- 5.3. The Scheme is expected to be beneficial to the Merging Companies, Transferee Company 2 and their shareholders and all other stakeholders at large and is not detrimental to any of the shareholders of the Company.

6. Cost benefit analysis of the Scheme

- 6.1. Keeping in view of the need for the merger, rationale of the Scheme and expected synergies, the Audit Committee is of the view that the proposed Scheme of Arrangement will provide many benefits to Transferee Company 2 in terms of development and expansion of its business without requiring immediate outflow of cash resources as the consideration is proposed to be discharged by issue of shares of Transferee Company 2, while there would be non-material procedural costs to be expended by Transferee Company 2 to implement the Scheme proposal. Thus,

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considering all aspects, the Audit Committee is of the considered view that benefits would outweigh the costs.

7. Recommendations of the Audit Committee

7.1. The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Valuation Report, Fairness Opinion Report and in view of above points, recommends the draft Scheme for favourable consideration by the Board of Directors of the Company, BSE, NSE and SEBI and other statutory or regulatory authorities.

By Order of the Audit Committee

For and on behalf of
HUBTOWN LIMITED

Bhakti Kothare
Chairperson of the Audit Committee
DIN: 07381095

Place: Mumbai
Date: December 30, 2025