



HUBTOWN

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CORPORATE INFORMATION

BOARD OF DIRECTORS

HEMANT M. SHAH	Executive Chairman
D. R. KAARTHIKEYAN	(upto 17.04.2013)
ARVIND KUMAR JOSHI	
ABHIJIT DATTA	
SHAILESH H. BATHIYA	
P. H. RAVIKUMAR	(08.03.2013 to 18.04.2013)
VYOMESH M. SHAH (VIMAL M. SHAH)	Managing Director
MADHUKAR B. CHOBE	Executive Director (upto 31.12.2012)

COMMITTEES OF THE BOARD

AUDIT AND COMPLIANCE COMMITTEE

SHAILESH H. BATHIYA	Chairman
D. R. KAARTHIKEYAN	(upto 17.04.2013)
ARVIND KUMAR JOSHI	
ABHIJIT DATTA	(w.e.f. 29.05.2013)
VYOMESH M. SHAH	

REMUNERATION COMMITTEE

ABHIJIT DATTA	Chairman
D. R. KAARTHIKEYAN	(upto 17.04.2013)
ARVIND KUMAR JOSHI	
SHAILESH H. BATHIYA	(w.e.f. 23.05.2013)

SHAREHOLDERS'/ INVESTORS' GRIEVANCES COMMITTEE

ARVIND KUMAR JOSHI	Chairman
HEMANT M. SHAH	
MADHUKAR B. CHOBE	(upto 31.12. 2012)

COMPANY SECRETARY

CHETAN S. MODY

STATUTORY AUDITORS

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

INTERNAL AUDITORS

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

REGISTERED OFFICE

'HUBTOWN SOLARIS', 2ND FLOOR
N.S. PHADKE MARG, OPP. TELLI GULLY
NEAR HOTEL REGENCY, ANDHERI (EAST)
MUMBAI 400 069
Phone : 022 66830400
Fax : 022 66830602
e-mail : investorcell@hubtown.co.in
Website : www.hubtown.co.in

REGISTRAR & TRANSFER AGENT

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



HUBTOWN LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF HUBTOWN LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30, 2013 AT 10.30 A.M. AT WALCHAND HIRACHAND HALL, 4TH FLOOR, INDIAN MERCHANTS' CHAMBER BUILDING, INDIAN MERCHANTS CHAMBER MARG, CHURCHGATE, MUMBAI 400020 TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and 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. Arvind Kumar Joshi, who retires by rotation and being eligible, offers himself for reappointment.
4. To reappoint M/s. Doshi Doshi & Associates, Chartered Accountants (Firm Registration No. : 121773W) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Audit and Compliance Committee / Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

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

As an Ordinary Resolution :

5. "RESOLVED THAT pursuant to the provisions of Section 256 and other applicable provisions, if any, of the Companies Act, 1956, the vacancy caused by the retiring Director Mr. Shailesh H. Bathiya, not seeking re-election, be and is hereby not filled up."

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

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

Chetan S. Mody
Company Secretary

May 29, 2013

Notes :

1. **A PERSON ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing the Proxy, should, however, be lodged with the Company not less than forty-eight hours before the scheduled commencement of the Meeting.
3. The Explanatory Statement setting out the material facts concerning Special Business in respect of Item No. 5 of the accompanying Notice as required by Section 173 of the Companies Act, 1956, is annexed hereto.
4. 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.
5. 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.
6. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 23, 2013 to Monday, September 30, 2013 (both days inclusive) in connection with the Annual General Meeting and for the purpose of dividend.
7. The dividend, as recommended by the Board, if declared at the Annual General Meeting, will be paid on or after Friday, October 04, 2013 to those members whose names appear in the Company's Register of Members as on the book closure dates after giving effect to valid share transfers in physical form lodged with the Company/Registrar and Share Transfer 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.
8. 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.

NOTICE (CONTD.)

9. Members are requested :
- to notify immediately any change in their registered addresses alongwith PINCODE number to their respective Depository Participants (DPs) in respect of equity shares held in electronic form and to the Registrar and Share Transfer Agent of the Company at Link Intime India Private Limited in respect of equity shares held in physical form; and
 - 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.
10. 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 Director seeking reappointment at the ensuing Annual General Meeting is provided in the Section on 'Corporate Governance' forming part of this Annual Report.
11. The Annual Report of the Company for the year 2012-2013 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.
12. 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.
13. 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.
14. Pursuant to the provisions of Section 205A of the Companies Act, 1956, 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 205C of the said Act. No claim shall lie against the Company or the Fund with respect to the unclaimed dividend once it is transferred by the Company to IEPF. 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

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.

15. As per the provisions of Section 109A of the Companies Act, 1956, 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'.
16. Members who desire to take part in the Green Initiative of the Company are requested to register their e-mail address with the Company by filling up the 'E-communication Registration' Form printed at the end of this Annual Report and send the duly filled in Form to the Company at its Registered Office or to 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 Depository Participants.

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

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

Chetan S. Mody
 Company Secretary

May 29, 2013



NOTICE (CONTD.)

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956 ('the Act').

The following Explanatory Statement relating to Special Business at Item No. 5 of the accompanying Notice sets out all material facts as required under Section 173 of the Act.

Item No. 5

Section 256 (4) (a) of the Act provides that the Company in General meeting may, by an ordinary resolution resolve not to fill up the vacancy of a retiring Director not seeking re-election. Since Mr. Shailesh H. Bathiya, who retires by rotation at the ensuing Annual General Meeting, has not sought re-election, the vacancy so caused is not proposed to be filled up.

The Directors commend the Resolution for your approval.

No Director of the Company except Mr. Shailesh H. Bathiya is concerned or interested in the said Resolution.

Registered Office :
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N. S. Phadke Marg, Opp. Telli Gully
Andheri (East), Mumbai 400 069

May 29, 2013

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

Chetan S. Mody
Company Secretary

REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION AND ANALYSIS

TO

THE MEMBERS

Your Directors have pleasure in presenting their Twenty Fifth Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS :

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

(₹ in lacs)

	STANDALONE		CONSOLIDATED	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Net Sales / Income from Operations	34691	26044	39179	43491
Other Income	19205	17234	17461	15558
Total Income	53896	43278	56640	59049
Operating Expenditure	17107	10586	14184	21881
Profit before Depreciation / Interest / Tax	36789	32692	42456	37168
Depreciation	573	703	1070	2179
Interest and Finance Charges	33444	28710	41886	33503
Profit / (Loss) before Extraordinary Item and Tax	2772	3279	(500)	1486
Extraordinary Item	—	(350)	—	(353)
Profit / (Loss) before Tax	2772	2929	(500)	1133
Provision for Tax	—	—	(10)	(493)
Add / (Less): Excess / (Short) provision for taxation in respect of earlier years	(25)	1246	(15)	1714
Deferred Tax credit / (charge)	311	415	267	341
Prior Period Adjustments (net)	8	(605)	(259)	(596)
Minority Interest / Share of Profit / (Loss) of Subsidiaries & Associates / Others	—	—	305	271
Net Profit / (Loss) for the Year	3066	3985	(213)	2370
Balance Profit brought forward from Previous Year	65509	65369	62686	65611
Tax Credit on proposed dividend	114	—	—	—
Amount available for appropriation	68689	69354	62473	67981
APPROPRIATIONS				
Debenture Redemption Reserve	—	3000	—	4450
Proposed Dividend	727	727	727	727
Dividend Distribution Tax	118	118	118	118
General Reserves	—	—	—	—
Balance carried to Balance Sheet	67844	65509	61628	62686
Earnings per Share before Extraordinary Item (₹) (EPS)	4.22	5.96	(0.29)	3.74
Earnings per Share after Extraordinary Item (₹) (EPS)	4.22	5.48	(0.29)	3.26

FINANCIAL PERFORMANCE :

Consolidated Financials

During the year under review, the consolidated turnover of the Company was lower by 4.08 % at ₹ 56640 lacs as against ₹ 59049 lacs in the previous year. The Company incurred a net loss of ₹ 213 lacs for the year under review as compared to net profit of ₹ 2370 lacs earned 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 higher by 24.53 % at ₹ 53896 lacs as against ₹ 43278 lacs in the previous year. Profit before Tax stood at ₹ 2772 lacs as compared to ₹ 2929 lacs for the previous year, representing a decline of 5.36 %. Profit after Tax stood at ₹ 3066 lacs as compared to ₹ 3985 lacs for the previous year, representing a decline of 23.06 %.

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 difficult economic environment in which the Company operated during the year under review, your Directors have recommended 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, 2013, 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 ₹ 118 lacs (Previous Year : ₹ 118 lacs).

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

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

THE BUSINESS :

Your Company is one of the leading real estate development companies in India and currently operates both - on its own and through its subsidiaries / joint ventures / associate companies, partnerships firms and public private partnerships encompassing the construction and development of Residential and Commercial Premises, SEZs, IT Park, Biotech Park and Build Operate Transfer (BOT) Projects. Operations of the Company include identification of projects, acquisition of land / development rights, architectural and engineering designing, project management including obtaining necessary approvals, planning, execution and marketing of the projects.

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

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

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

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

OVERVIEW OF THE COMPANY'S PROJECTS

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

Residential:

Ongoing Projects:

Hubtown Sunmist - Andheri (East)

Hubtown Countrywoods Phase I – Kondhwa, Pune

Hubtown Shikhar – Andheri (East)

Hubtown Gardenia – Mira Road

Hubtown Greenwoods – Thane

Hubtown Jewell – Andheri (West)

Hubtown Vedant – Sion (East)

Hubtown Seasons – Chembur

Hubtown Sunstone – Bandra (East)

Hubtown Serene – Bandra (East)

Hubtown Mont Metro – Peddar Road

Rising City – Ghatkopar Mankhurd Link Road

Daisy, Dhalia, Daffodil & Dutch Rose – Bengaluru

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

Commercial:

Ongoing Projects

Hubtown Solaris – Andheri (East)

Hubtown Viva – Andheri (East)

Hubtown Central – Surat

Hubtown Central – Ahmedabad

Hubtown Central – Mehsana

Hubtown Central - Vadodara

Hubtown Prime - Bengaluru

IT SEZ and Township

Ongoing

Sunstream City Phase – I - Mulund-Thane

GLOBAL ECONOMIC OVERVIEW :

¹ The year 2012 was a year of pronounced economic uncertainty for many countries around the world and for many of them this will linger into 2013. Many developed economies ended 2012 close to or in recession and a rapid turnaround is not expected in early 2013. Even if the positive trends are upheld, rates of growth in 2013 as a whole will remain well below historic norms.

² In its World Economic Outlook, International Monetary Fund (IMF) has reported that the global growth will strengthen in 2013 albeit at a slower rate. But overall, the IMF has forecast the world economy to grow by 3.5 % in 2013 and 4.1 % in 2014. If crisis risks do not materialise and financial conditions continue to improve, global growth could even be stronger than forecast. But downside risks remain significant, including prolonged stagnation in the euro areas and excessive short-term fiscal tightening in the United States. Most of that growth is expected to come from developing economies, rather than the developed countries still emerging from recession. The IMF said the challenges facing developed economies remained the same. Two major challenges are : First, they need steady and sustained fiscal consolidation. Second, financial sector reforms must continue to decrease risks in the financial system. Addressing these challenges will support recovery and reduce downside risks. The IMF also said that slow growth in advanced economies, including the United States, Germany and Japan, will continue to weigh on growth in emerging economies.

INDIAN ECONOMY :

² After growing strongly before and after the Global Financial Crisis (GFC), India's economy has slowed substantially. Growth averaging 8 ½ % and expanding social programs lowered the poverty rate by 1.5 percentage point per year in 2004-2009, double the rate of the preceding decade. The year 2012 was a sluggish year in terms of economic growth, largely because of high interest rates and poor industrial production. Manufacturing activity which contributes significantly to India's GDP , also took a big hit in 2012. Inflation remained high, impacting sentiment and investor interest across businesses – including real estate. Several causes of the weaker growth seem to be of a supply-side nature.

Though India's growth remains among the highest in the world, the recent slowdown – due to structural factors, such as supply constraints and an unsupportive policy environment, with cyclical and global factors also contributing – is unusual among emerging markets (EMs) for its still-high inflation. Inflation and fiscal deficit remain among the highest in EMs. The current account deficit widened to 5.4 % of GDP during the period April – December 2012 and other external vulnerability indicators have deteriorated which led to a sharp depreciation of the rupee in 2012 and early 2013. Measures have been taken to reverse the slowdown and lower vulnerabilities. Measures taken include higher diesel prices and quantity limits on subsidized LPG, two challenging but essential measures to rein in the fiscal deficit.

The government announced further liberalisation of FDI and a plan to restructure the debts and reduce the losses of state power distribution companies and has also announced a Cabinet Committee on Investment (CCI), enabling single-window clearance approval for large projects.

India's recently published 12th Plan calls for major investments in infrastructure, health, and education, as well as for continued poverty reduction, but reforms to facilitate investment – especially in infrastructure together with lower costs to do business are key to restoring higher growth.

REAL ESTATE SECTOR OVERVIEW :

More than sixty years after India became a republic, the country has seen phenomenal changes. It has gained recognition globally as a major player in the world economy. This is also reflected in the journey of the Indian real estate sector, which has emerged as one of the significant contributors to the country's GDP.

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

The country has witnessed a tremendous housing boom, specifically in the last decade. Newer locations have come to the fore expanding the boundaries further. While the metropolitan cities continue to remain in demand, even Tier II and Tier III cities are fast gaining momentum on account of their commercial and strategic viability. On the policy level, liberalization indeed threw open the floodgates of the country's development.

Over the years the landscape of Indian cities has undergone a great transformation. While the key cities have grown beyond their current potential and are expanding vertically, areas which were earlier categorized as peripheral cities have today become prime areas holding tremendous growth potential.

Also, many other areas within the heart of the cities, which were earlier categorized as industrial or textile mills, have also opened up for development which is also leading to high-end luxurious projects being launched in these areas.

³ Riding high on the back of rapid urbanization, positive demographics and rising income levels, the Indian real estate sector has attracted significant investment over the past few years. The sector that once grew at 7.8 % in 2009-2010 witnessed a deceleration during 2012-13 to 6.5 % owing largely to the sluggish growth of the Indian economy, rising input costs and an overall slowdown in the global economy. As per the latest estimates, the housing sector contributes about 5 % to the overall GDP growth of the country. As per the industry report, the total economic value of the real estate activity in the country ranges between US \$ 40-45 billion, which contributes to 5-6 % to the GDP growth. Of its total size, residential segment, with 90-95 % size, forms the major chunk of the market, followed by the commercial segment (4-5 %) and organized retail segment (1 %).

³ The demographic advantage of the country and the rising thrust on infrastructure is triggering a plethora of events, significant among which is the rising FDI in the sector. It is estimated that the FDI in the sector will grow from the current US \$ 4 billion to US \$ 25 billion within a span of 10 years. A report released by the United Nations states that India ranks third after China and the US in terms of the most favoured investment destination for global companies. As per the report, the FDI inflow in the sector is expected to increase by 20 % during 2012-2013.

THE YEAR IN RETROSPECT

For the Indian real estate sector, 2012 was a year of cautious approach as the stakeholders – developers, investors and occupiers – began the year with an air of skepticism, a trait that continued through the year. Rising inflation, rupee depreciation and increasing cost of capital added to the woes that affected demand as well as future supply dynamics of the real estate in the country. Residential was the only sector that witnessed moderate growth, compared to the commercial sector that includes office, retail and industrial that saw limited or no growth.

Falling global economy, reduced GDP against projection and heightened inflation disrupted the cash-in-flow in the market. Fiscal deficit and interest rates were high while rupee depreciated. All this did not bode well for any industry especially real estate. Developers reeled under high debt with limited funding option for development purpose. However, there was certain vibrancy in the investors who capitalized on the opportunities available in the market. Even FDI saw an increase in the real estate sector. The global economy is expected to stabilize in the current fiscal. This, clubbed with more government reforms, should boost everyone's confidence moving the market upside.

New investments have largely gone for residential developments in key cities like NCR - Delhi, Mumbai, Pune and Bengaluru. This was largely in green field or brown field projects.

Interest rates remained stable but on the higher side in 2012 which affected both developers as well as end user purchasers. Developers, who were reeling under aspects like high debt, high cost of servicing debt, increased cost of construction, and restrained demand from end users maintained prices rather than reduce it. Innovative solutions were deployed to increase profitability by adopting measures such as increasing operational efficiencies, attractive schemes and targeting HNIs and customizing offerings as per buyer's preferences. The majority of new launches were aligned to end user and investor taste.

According to Cushman & Wakefield Report 'International Investment Atlas', India was 20th among the top 20 real estate investment markets globally with investment volume of INR 190 billion (USD 3466 million) recorded in 2012. Majority of the investment was through institutional sales (67 %) while remaining were through private equity investments (33 %). The market witnessed institutional sales (excluding apartments) of INR 128 billion, concentrated in commercial development sites and office segment including standalone pre-leased office buildings. In terms of value, majority of the Private Equity in real estate (PERE) investments were noted in ready income generating/operational office assets at INR 32.2 billion and saw an increase of 34 % over 2011. Under construction residential projects continued to witness the highest number (25) of PERE deals in 2012 and witnessed private equity investments at INR 28.5 billion.

The Union Budget 2013 has immense potential to improve the sector sentiment and at the same time re-stimulate its growth. Setting up of an Urban Housing Fund and provision of INR 2,000 crores for this fund, sops for home buyers on first housing loan of INR 25 lacs and increase in exemption limit of home/interest payable through a separate section under Chapter VA of the Income Tax Act from INR 1.5 lacs to INR 2.5 lacs were a few positives for the real estate sector. Another positive factor was the increase in provision under Rural Housing Fund to INR 6,000 crores from the existing INR 4,000 crores which would certainly result in more construction.

- Residential Real Estate

According to Jones Lang LaSalle Report 'A Review of India Real Estate in 2012', the larger cities of Mumbai and NCR-Delhi recorded healthy absorption of residential units during 2012, with a 60 % contribution to the overall absorption. Chennai and Pune were among the other two cities that increased their share of absorption during 2012 to 26 % from the 23 % recorded a year ago.

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

At a country level, a total of 1,60,622 residential units were launched in 2012, as compared to 1,54,701 units for the corresponding period of 2011. From the pricing perspective, the average residential capital values in 2012 appreciated in the range of 1-3 % y-o-y. Among the top 7 cities of India, the capital value growth in Pune and NCR-Delhi was the highest, while Hyderabad and Bengaluru saw a slower rate of capital value growth. Infrastructure deficit continues to be a key restraint for the growth of residential markets across India.

- Commercial Real estate

In 2012 the cautious occupier sentiment that resulted from the on-going global uncertainties was one of the key reasons behind slow commercial property leasing activity in the major cities of India. Among the 7 cities, Mumbai and NCR-Delhi recorded y-o-y absorption drop of around 47 % and 26 % respectively during 2012. The year 2012 was defined by a notable decline in absorption of office space across most cities of India from the 2011 levels. However, the larger cities of Mumbai, Bengaluru, Chennai and NCR-Delhi contributed to a healthy 72.5 % of the country's net absorption of commercial real estate.

The decline in absorption across key cities was primarily due to the continuing global and domestic uncertainty in the economy which was a deterrent for corporate in their expansion plans. For demand to revive, the economic reforms in India need to be fast tracked besides global economy has to show some improvement in growth.

The CBDs of NCR-Delhi, Mumbai, Pune and Hyderabad remained neutral markets because of negligible vacancies (5% - 10%) as compared to the national average of 19 %. Also, these locations saw persistent market stagnation because of negligible rental growth and lower vibrancy.

The suburban business districts of NCR-Delhi, Mumbai, Chennai and Kolkata, which have higher-than-average vacancies, remained occupier friendly markets. Higher vacancy expectations continues to exert short term pressures on their rental value growth.

OPPORTUNITIES:

- Residential

Housing constitutes nearly 90 % of the total Indian realty space and has emerged as one of the most dynamic segment of the real estate sector. The country's residential real estate sector is witnessing changing trends. Rising income levels, increasing population, favourable population demographics and rapid urbanization has generated opportunities for residential real estate development. In fact, in the long run, the residential real estate sector has got a massive potential in the wake of growing demand-supply gap as also factors like changing demographics and rapid urbanization. The rising demand and limited availability of dwelling units within metros would continue leading to an increase in residential real estate. It is estimated that housing shortage in urban areas is likely to touch 21.7 million units by the end of 2014.

Developers across the country launched an estimated 38,000 residential units in the first quarter of 2013, an almost 2 % decline from the previous quarter due to factors such sufficient availability of stock, subdued demand and delays in regulatory approvals in certain markets. Bengaluru saw the highest number of launches in the first quarter at 11,622 units followed by NCR-Delhi with 7,603 units and Mumbai with 7,226 units.

- Commercial

According to Cushman & Wakefield Report titled "Evolving Paradigm – Future of Indian Real Estate", the demand for commercial; office space during the period 2012-2016 is estimated to be over 180 million sq. ft. in the top 8 cities of the country. The report also estimates the total expected supply for the next five years in these 8 cities as 219.6 million sq. ft. based on announced projects and current pace of construction; indicating a condition of excess supply in the coming few years. The highest demand will be recorded in Mumbai with an estimated 44 million sq. ft. over the next five years followed by Bengaluru 31 million sq. ft. and NCR-Delhi 27.8 million sq. ft. The top three cities will constitute approximately 57 % of the total office space demand.

Based on expected recovery of the economy, partly due to global recovery, but largely due to the positive signals being sent out by the Central Government to promote business investments, office space demand is expected to witness a positive growth of 10 % in 2013 and 20 % in 2014.

A number of factors will act as a catalyst for the growth and sustenance of office demand such as improvements in infrastructure, connectivity and the quality of supply. Additionally, more and more companies are looking at rationalizing their real estate portfolio by relocating and/or consolidating their wide spread operations, beside actually growing their businesses. This is expected to lead to an increase in leasing activities and also add to the net absorption.

Cities such as Bengaluru, Chennai and Pune which are expected to witness lower demand-supply gap, may also see moderate rental increases over the next 5 years. On the other hand, NCR-Delhi, Mumbai and Kolkata that have considerable oversupply may see rental correction in select micro markets during that period. Rental correction will not take place across the Board as local micro market dynamics such as location, quality, existing occupier profile, access to transportation nodes, etc. will play an important role in deciding the rentals vis-à-vis the demand from occupiers.

THREAT, RISKS AND CONCERNS :

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

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.
- Changes in government policies including change in tax structure would affect the growth of the real estate sector.
- Financial Risk – liquidity crisis on account of stoppage of lending funds to real estate sector by banks, financial institutions and other lending agencies, leading to stoppage of development activity.
- 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 revenue 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.
- Policy and Regulatory Risk – unfavourable changes in the government policies and the regulatory environment could impact adversely the performance of real estate companies.
- High debt levels of Indian major real estate companies.
- IT Risk – loss/theft of important and confidential data.

FUTURE OUTLOOK :

CRISIL has predicted that India's GDP will grow at a higher rate of 6.7 percent in 2013 -2014 in comparison to 5.5 percent estimated for the fiscal 2012-2013 due to a revival in consumption. A pick-up in agriculture, predicted on a normal monsoon, lower interest rates and higher government spending will support private consumption demand.

According to Grant Thornton Report 'An Instinct for Growth 'The year 2013 has the potential to represent a watershed for the real estate sector in India. The government has already introduced a spate of reforms to help the economy recollect momentum for growth and its cascading impact is bound to be there on the real estate sector as well. Opening of FDI in organized retail, broadcast and insurance sector , will directly catalyze demand for retail and office space in the country.

Two core bills impacting the sector Real Estate (Regulation and Development) Bill and Land Acquisition, Rehabilitation and Resettlement Bill have the potential to boost sentiments of both investors and end-users in the long term. The implementation of the proposed regulations would pave way for winning "industry " status for the sector and thus improve access to finance and associated benefits.

According to Knight Frank, year 2013 is going to bring cheer to home buyers. In a country that has an acute housing shortage, there will always be takers provided the offerings are enticing. The year 2013 is going to be a game changer in terms of policies and regulations, as most the bills that have been pending for the last few years are expected to be passed in Parliament in the coming quarters. Especially in the case of real estate , the passage of two crucial bills, Real Estate Regulation Bill and land Acquisition Bill, will boost the sentiment of all stake holders.

The change in sentiment on account of the above measures will have a positive impact on all the segments of real estate, whether it is retail, office or residential and will certainly make the year 2013 a much better year in comparison to last year.

INTERNAL CONTROLS :

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

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

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

HUMAN RESOURCES:

The Company believes that human resource is its most valuable asset. The Human Resource function endeavours to create a congenial work environment so as to achieve the organizational goals in a seamless manner. The Company is committed to recruit and retain talent with focus on people development thus paving the way for organizational betterment in the competitive and fast changing business environment. The employees are entrusted with challenging roles for exposure to grow faster. As on March 31, 2013, the Company had 158 employees on its roll.

FINANCE :

Issue of Debentures :

During the year under review, the Company issued Secured, Redeemable, Non-convertible, Taxable Debentures amounting to ₹ 25 crores on private placement basis.

AUDITORS :

M/s. Doshi Doshi & Associates, Chartered Accountants and M/s. Haribhakti & Co., Chartered Accountants, Joint Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting. M/s. Doshi Doshi & Associates, being eligible have offered themselves for reappointment. The other firm of Statutory Auditors M/s. Haribhakti & Co., have expressed their desire not to seek reappointment in view of their heavy prior professional commitments. The Board of Directors, upon the recommendations of the Audit and Compliance Committee, proposes the reappointment of M/s. Doshi Doshi & Associates as Statutory Auditors of the Company for conducting the audit of the accounts of the Company for the year ending March 31, 2014.

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

AUDITORS' REPORT :

The Notes forming part of the Financial Statements (Balance Sheet and the Statement of Profit and Loss) for the year ended March 31, 2013, 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 certain observations/qualifications of the Statutory Auditors in their Audit Reports on the financial statements for the year ended March 31, 2013 are as hereunder :

Basis of Qualified opinion :

- a. Note '29' to the standalone financial statements and Note '30' to the consolidated financial statements:
The observation of the Auditors read with Note '29' and Note '30' are self explanatory and require no further clarification.

Emphasis of Matter :

- a. Note 2 (III) (A) (ii) and (iii) to standalone financial statements and Note 3 (III) (A) (ii) and (iii) to the 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 'c' to Note '4' to standalone financial statements and footnote 'b' to Note '5' to consolidated financial statements :
Regulation 16 (2) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 read with Clause 36.1.5 of the Debenture Trust Deed dated February 24, 2011 executed by the Company with the Trustees for Debentureholders provides that in case of any defaults in payment of interest on debt securities or redemption thereof, any declaration or distribution/payment of dividend to the shareholders shall require approval of the Debenture Trustees. The management is confident of obtaining the requisite consent of the Debenture Trustees 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 'd' to Note '4' to standalone financial statements and footnote 'c' to Note '5' to consolidated financial statements :
Due to the prevailing economic scenario, the Company was not able to make 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 will meet with the requirements of the said Circular during the current financial year.
- d. 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.
- e. Note '13' (F) and (G), Note 17 and Note '10' to standalone financial statements :
The emphasis of matter included in the Auditors' Report read with Note '13' (F) and (G), Note 17 and Note '10' to the standalone financial statements are self explanatory and require no further clarification.
- f. Footnote 'e' to Note '13' to standalone financial statements :
The emphasis of matter included in the Auditors' Report read with footnote 'e' to Note '13' to the standalone financial statements is self explanatory and requires no further clarification.

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

- g. footnote 'b' 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 read with footnote 'b' to Note '18' to standalone financial statements and footnote to Note '19' to consolidated financial statements are self explanatory and require no further clarification.

- h. Footnote to Note '22' to standalone financial statements and footnote to Note '23' to consolidated financial statements :

The emphasis of matter included by the Statutory Auditors in their respective Reports read with footnote to Note '22' to standalone financial statements and footnote to Note '23' to consolidated financial statements are self explanatory and require no further clarification.

- i. Note '34' (B) to standalone financial statements and Note '38' to consolidated financial statements :

and

Footnote to Note '34' to standalone financial statements and footnote to Note '38' 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 '34' to standalone financial statements and Note '38' to consolidated financial statement are self explanatory and require no further clarification.

- j. Emphasis of matter – item (i) of the 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 four Subsidiaries, the said Joint Venture and an Associate. The management is of the view that, even after the inclusion of audited consolidated financial statements of the said subsidiaries and the said joint venture, there would not be any material impact on the reported consolidated financial statements of the group.

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

Annexure to Auditors' Report (Standalone Financial Statements) :

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

As explained in the operational highlights in the Directors' Report, the then prevailing adverse economic conditions during the year under review resulted in some delays in the payment of certain statutory dues. The Company is making good the delays at the earliest.

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

Due to the then prevailing adverse economic conditions during the year under review, the Company faced difficulties in making timely payments of its dues to the debentureholders. The Company has initiated steps for resolving the matter with the debentureholders.

CONSOLIDATED ACCOUNTS :

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

FIXED DEPOSITS :

Total amount of deposits outstanding as on March 31, 2013 was ₹ 1163.83 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 :

The Company uses Information Technology to provide reliable, contemporary and integrated business processes which enables it to improve all round operational efficiencies.

During the year under review, your Company initiated steps to implement Oracle ERP across its various Group Companies including subsidiaries, associates and joint ventures. This will result in the Company's processes integrating into one single system, avoidance of duplication of work, increased efficiency, improved management information systems and better management control of operations and activities. The Company's IT systems are periodically audited to ensure the adequacy of the information systems control, information security and privacy aspects.

During the current fiscal, the Company plans to undertake a major exercise of upgrading Oracle ERP to latest version.

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

CORPORATE SOCIAL RESPONSIBILITY :

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

CORPORATE GOVERNANCE :

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

In terms of sub-clause (v) of Clause 49 of the Listing Agreement, a certificate from the Managing Director and the Chief 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.

CORPORATE GOVERNANCE – VOLUNTARY GUIDELINES 2009

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

SUBSIDIARIES :

During the year under review, Joynest Premises Private Limited became a subsidiary and Holiac Realty Private Limited and Pushpak Healthcare Services Private Limited ceased to be subsidiaries of your Company. Holiac Realty Private Limited has instead, become an associate. The total number of subsidiaries as on March 31, 2013 were 25.

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

In terms of the general exemption under Section 212 (8) of the Companies Act, 1956 granted by the Ministry of Corporate Affairs (MCA) vide its General Circular No.2/2011 dated February 8, 2011 and in compliance with the conditions enlisted therein, the Audited Statement of Accounts and the Auditors' Report thereon for the financial year ended March 31, 2013 along with the Reports of the Board of Directors of the subsidiary companies have not been annexed to this Annual Report. However, as directed by the aforesaid MCA Circular, the summarized financials of the subsidiary companies have been disclosed in the consolidated balance sheet under the heading 'Summary of Financial Statements of Subsidiary Companies' which forms part of this Annual Report.

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

DIRECTORS :

Mr. Madhukar B. Chobe ceased to be an Executive Director of the Company upon expiry of his term of office on December 31, 2012. Subsequently, Mr. Chobe stepped down from the Board of Directors of the Company effective January 1, 2013. Mr. P. H. Ravikumar who was appointed as an Additional Director of the Company effective March 8, 2013 stepped down from the Board effective April 18, 2013 in view of his prior professional commitments. Mr. D. R. Kaarthikeyan stepped down from the Board effective April 17, 2013. Mr. Shailesh H. Bathiya who retires by rotation has expressed his desire not to seek reappointment due to prior professional commitments.

The Board places on record its sincere appreciation of the invaluable and mature guidance and advice contributed by Mr. Madhukar B. Chobe, Mr. D. R. Kaarthikeyan, Mr. P. H. Ravikumar and Mr. Shailesh H. Bathiya during their tenure.

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

The brief profile of Mr. Arvind Kumar Joshi as required by Clause 49 of the Listing Agreement has been detailed in the Section on 'Corporate Governance'.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) the accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit on Standalone basis and loss on Consolidated basis of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

STATUTORY INFORMATION :

Since the Company is not engaged in any manufacturing activity, the other particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1998 are not applicable. Expenditure incurred in foreign currency amounted to ₹ 252.74 lacs. There was no earning in foreign exchange.

PARTICULARS OF EMPLOYEES :

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

APPRECIATION :

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

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board

Hemant M. Shah
Executive Chairman

Mumbai, May 29, 2013

- 1- Deloitte Research
- 2- IMF Survey
- 3- Grant Thornton – An instinct for growth

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction and shareholder value. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness; and to develop capabilities and identify opportunities that best serves the goal of value creation.

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

MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

We at Hubtown believe, that for a company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, consumers and society. To that end we as a company lay greater emphasis on good Corporate Governance – which is a key driver for sustainable corporate growth and long term value creation for our shareholders.

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

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY :

The Board has an optimum combination of Executive and Non-Executive Directors, which is in conformity with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges in this regard. Clause 49 of the Listing Agreement, stipulates that atleast fifty percent of the Board should consist of Non-Executive Independent Directors if the Chairman of the Board is an Executive Director.

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

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

- two Promoter, Executive Directors
- three Non-Promoter, Non-Executive, Independent Directors

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49 of the Listing Agreement) across all companies in which they are Directors. The Board does not have any Nominee Director representing any institution.

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

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

Name of Director	Category of Directorship	Directorship in other companies (*)	No. of Board Committees (other than Hubtown Limited) in which Chairman / Member		Relationship with other Directors inter-se
			Chairman	Member @	
Mr. Hemant M. Shah Executive Chairman	Promoter, Executive, Non-Independent	—	—	—	Related to Mr. Vyomesh M. Shah
Mr. D. R. Kaarthikeyan (upto April 17, 2013)	Non-Promoter, Non-Executive, Independent	10	—	1	Not related to any other Director of the Company
Mr. Arvind Kumar Joshi	Non-Promoter, Non-Executive, Independent	—	—	—	
Mr. Abhijit Datta	Non-Promoter, Non-Executive, Independent	6	1	2	

CORPORATE GOVERNANCE REPORT (CONTD.)

Name of Director	Category of Directorship	Directorship in other companies (*)	No. of Board Committees (other than Hubtown Limited) in which Chairman / Member		Relationship with other Directors inter-se
			Chairman	Member @	
Mr. Shailesh H. Bathiya	Non-Promoter, Non-Executive, Independent	—	—	—	Not related to any other Director of the Company
Mr. P. H. Ravikumar (from March 8, 2013 to April 18, 2013)	Non-Promoter, Non-Executive, Independent	8	2	5	
Mr. Madhukar B. Chobe Executive Director (upto December 31, 2012)	Non-Promoter, Non-Independent, Executive	2	—	—	
Mr. Vyomesh M. Shah Managing Director	Promoter, Non-Independent, Executive	3	1	1	Related to Mr. Hemant M. Shah

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

@ Member includes Chairman.

Only memberships of Audit Committee and Shareholders' / Investors' Grievances Committee of public limited companies are included.

TENURE :

The Executive Chairman and the Managing Director are not liable to retire by rotation. The Non-Executive Directors of the Company are liable to retire by rotation. One-third of the said Directors are liable to retire every year and if eligible, offer themselves for reappointment.

RESPONSIBILITIES :

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

ROLE OF INDEPENDENT DIRECTORS :

Independent Directors play a key role in the decision-making process of the Board and oversee the performance of the management. 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 bring to the Board a wide range of experience, knowledge and judgment as they draw on their varied proficiencies in finance, accountancy, law, public policy, general corporate management and other allied fields. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

In terms of Clause 49 I (A) (iii) of the Listing Agreement, the Independent Directors on the Company's Board :

- apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its subsidiaries and associates which may affect their independence;
- are not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- have not been executives of the Company in the immediately preceding three years;
- are not partners or executives, or were not partners or executives, during the preceding three years, of any of the following :
 - Statutory audit firm or the Internal audit firm that is associated with the Company;
 - Legal firm(s) and consulting firm(s) that have a material association with the Company;
- are not material suppliers, service providers or customers or lessors or lessees of the Company which may affect their independence;
- are not substantial shareholders of the Company i.e. owning two percent or more of the block of voting shares; and
- are not less than 21 years of age.

CORPORATE GOVERNANCE REPORT (CONTD.)

BOARD PROCEDURE :

The Board meets atleast once a quarter to review the quarterly performance and the financial results 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. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/ business plans, financial results, detailed presentations are 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. 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 information as specified in Annexure IA to Clause 49 of the Listing Agreement is regularly made available to the Board.

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

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

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

Mr. Arvind Kumar Joshi

Mr. Arvind Kumar Joshi, aged 67 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 and Remuneration Committee, and Chairman of Shareholders'/ Investors' Grievances Committee of Directors of the Company.

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

MEETINGS AND ATTENDANCE:

During the year under review, the Board met 4 (four) times. The meetings were held on May 30, 2012, August 14, 2012, November 07, 2012 and February 14, 2013.

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

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

Name of the Director	No. of Board Meetings attended	Attendance at last AGM held on November 07, 2012
Mr. Hemant M. Shah	3	Attended
Mr. D. R. Kaarthikeyan (upto April 17,2013)	3	Attended
Mr. Arvind Kumar Joshi	4	Attended
Mr. Abhijit Datta	3	Attended
Mr. Shailesh H. Bathiya	4	Attended
Mr. P. H. Ravikumar (from March 8, 2013 to April 18, 2013)	–	–
Mr. Madhukar B. Chobe (upto December 31, 2012)	4	Attended
Mr. Vyomesh M. Shah	4	Attended

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

The Board met on May 29, 2013 to approve the annual audited financial results of the Company for the year ended March 31, 2013.

CORPORATE GOVERNANCE REPORT (CONTD.)

3. BOARD COMMITTEES :

The Company has constituted 3 (three) Board-level Committees – Audit and Compliance Committee, Remuneration Committee and Shareholders’/ Investors’ Grievances Committee with specific terms of reference and scope. The Committees operate as empowered agents of the Board as per their charter / terms of reference. The decisions relating to constitution of these Committees, appointment of members, and fixing terms of reference of each of these Committees are taken by the Board of Directors. Full particulars of the composition, role of these Committees, the number of meetings held and the related attendance are given below :

I. AUDIT AND COMPLIANCE COMMITTEE :

BROAD TERMS OF REFERENCE :

The object of the Audit and Compliance Committee is to monitor and effectively supervise the Company’s financial reporting process with a view to provide accurate, timely and proper disclosure and oversee the integrity and quality of the financial reporting. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company.

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

- a. oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b. recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors, Internal Auditors and the fixation of audit fees;
- c. approval of payment to Statutory Auditors for any other services rendered by them;
- d. reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - i. matters required to be included in the Director’s Responsibility Statement which forms part of the Directors’ Report pursuant to Clause (2AA) of Section 217 of the Companies Act, 1956;
 - 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.
- e. reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- f. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- g. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit;
- h. discussion with internal auditors any significant findings and follow-up thereon;
- i. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting the matter to the Board;
- j. discussion with statutory auditors before audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- k. to look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- l. to review the functioning of the Whistleblower mechanism; and
- m. carrying out any other function as mentioned in the terms of reference of the Committee;

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

The Audit and Compliance Committee reviews the following information :

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

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

The Audit and Compliance Committee while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) notified pursuant to Companies (Accounting Standards) Rules, 2006. Compliance with the Accounting Standards as applicable to the Company has been ensured in the Financial Statements for the year ended March 31, 2013.

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

COMPOSITION :

The Audit and Compliance Committee presently comprises of 4 (four) Directors, three of whom are Non-Executive, Independent Directors. The Audit and Compliance Committee is constituted in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreement and Section 292A of the Companies Act, 1956. All the members of the Committee are financially literate and have accounting and financial management expertise. The Chairman of the Committee is an Independent, Non-Executive Director.

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

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

Name of the Director		Category
Mr. Shailesh H. Bathiya	Chairman	Independent, Non-Executive
Mr. D. R. Kaarthikeyan (upto April 17, 2013)	Member	Independent, Non-Executive
Mr. Arvind Kumar Joshi	Member	Independent, Non-Executive
Mr. Abhijit Datta (w.e. f. May 29, 2013)	Member	Independent, Non-Executive
Mr. Vyomesh M. Shah	Member	Promoter, Non-Independent, Executive

MEETINGS AND ATTENDANCE :

During the year under review, the Committee met 4 (four) times. The meetings were held on May 30, 2012, August 14, 2012, November 7, 2012 and February 14, 2013.

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

Name of the Director	No. of meetings attended
Mr. Shailesh H. Bathiya	4
Mr. D. R. Kaarthikeyan (upto April 17, 2013)	3
Mr. Arvind Kumar Joshi	4
Mr. Vyomesh M. Shah	4

Mr. Shailesh H. Bathiya, Chairman of the Audit and Compliance Committee answered queries raised by the shareholders at the Annual General Meeting of the Company held on November 7, 2012.

The Committee met on May 29, 2013 to review the audited financial results for the year ended March 31, 2013 and recommended the same to the Board for its approval.

CORPORATE GOVERNANCE REPORT (CONTD.)

INTERNAL AUDITORS:

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

II. REMUNERATION COMMITTEE:

TERMS OF REFERENCE :

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

COMPOSITION :

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

The present composition of the Remuneration Committee is as follows:

Name of the Director		Category
Mr. Abhijit Datta	Chairman	Independent, Non-Executive
Mr. Arvind Kumar Joshi	Member	Independent, Non-Executive
Mr. D. R. Kaarthikeyan (upto April 17, 2013)	Member	Independent, Non-Executive
Mr. Shailesh H. Bathiya (w.e.f. May 23, 2013)	Member	Independent, Non-Executive

Mr. Abhijit Datta, Chairman of the Remuneration Committee was present at the Annual General Meeting of the Company held on November 7, 2012 to provide any clarification on matters relating to managerial remuneration.

MEETING AND ATTENDANCE :

The Committee met once on May 30, 2012 during the year under review. Mr. Arvind Kumar Joshi and Mr. D. R. Kaarthikeyan were present at the said meeting. Mr. Abhijit Datta was granted leave of absence.

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

REMUNERATION POLICY :

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

A. Remuneration to Non-Executive Directors :

The Independent Directors play an important role in the governance of the Company and in advising the Board in critical domains like finance, marketing, strategic planning and legal matters. The remuneration of Non-Executive Directors consists of sitting fees and commission not exceeding the limits prescribed under Section 309 of the Companies Act, 1956, which is decided by the Board within the limits approved by the shareholders. The Non-Executive Directors are paid sitting fees of ₹ 20,000 for every meeting of the Board/Committee of the Board attended by each of them. For the year ended March 31, 2013, the Non-Executive Directors will be paid an amount of ₹ 10 lacs each as commission. The role of Non-Executive Directors and their involvement as members of the Board has undergone a significant change pursuant to more stringent accounting standards and corporate governance norms. The Non-Executive Directors are required to take far more complex business decisions and are required to commit their time and provide their expertise for the Company's business. Accordingly, the Board has approved the above quantum of commission to the Non-Executive Directors. The commission is being paid on uniform basis on the principle of collective responsibility.

CORPORATE GOVERNANCE REPORT (CONTD.)

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

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

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

The appointment of Executive Chairman / Managing Director / Executive Director is governed by resolutions passed by the Board of Directors and shareholders of the Company, which covers the terms of such appointment read with the service rules of the Company. Payment of remuneration to Executive Chairman / Managing Director / Executive Director is governed by the respective Agreements executed between them and the Company. Remuneration paid to Executive Chairman / Managing Director and Executive Director is recommended by the Remuneration Committee, approved by the Board, subject to the overall limits as approved by the shareholders.

Annual increments are linked to performance and are decided by the Remuneration Committee and recommended to the Board for approval thereof. Payment of performance incentive for Executive Chairman and Managing Director is also decided by the Remuneration Committee and recommended to the Board for approval thereof.

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

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

DETAILS OF REMUNERATION TO ALL DIRECTORS FOR THE YEAR ENDED MARCH 31, 2013

NON-EXECUTIVE DIRECTORS :

Name of the Director	Sitting Fees (Gross) (₹)	Commission (Gross) * (₹)	No. of Shares held
Mr. Shailesh H. Bathiya	1,60,000	10,00,000	Nil
Mr. D. R. Kaarthikeyan	1,40,000	10,00,000	Nil
Mr. Arvind Kumar Joshi	2,00,000	10,00,000	Nil
Mr. Abhijit Datta	60,000	10,00,000	Nil

* The commission for the year ended March 31, 2013 will be paid to Non-Executive Directors, after adoption of accounts by the members in the ensuing Annual General Meeting. .

Consolidated provision for commission of ₹ 40 lacs to Non-Executive Directors has been made in the books of account.

EXECUTIVE CHAIRMAN / MANAGING DIRECTOR / EXECUTIVE DIRECTOR :

Name of the Director	Salaries and Perquisites (₹)	Performance Incentive (₹)	Service Contract (Present)
Mr. Hemant M. Shah, Executive Chairman	80,57,600	Nil	5 years
Mr. Vyomesh M. Shah, Managing Director	72,51,200	Nil	5 years
Mr. Madhukar B. Chobe, Executive Director (upto December 31, 2012)	38,25,000	Nil	1 year

CORPORATE GOVERNANCE REPORT (CONTD.)

III. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE :

FUNCTIONS :

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

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

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

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

COMPOSITION :

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

Name of the Director		Category
Mr. Arvind Kumar Joshi	Chairman	Independent, Non-Executive
Mr. Hemant M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Madhukar B. Chobe (upto December 31, 2012)	Member	Non-Promoter, Non-Independent, Executive

COMPLIANCE OFFICER :

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

MEETING AND ATTENDANCE :

The Committee met once on May 30, 2012 during the year under review which was attended by all the members.

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

The total number of complaints received from shareholders/investors during the year ended March 31, 2013 were 11, all of which were duly resolved. The complaints related mainly to non-receipt of dividend and/or annual report. In view of the posting of the annual reports and the dividend warrants as the case may be, within the statutory time limit, the delay or non-receipt of the annual reports or the dividend warrants was not due to any lapse on the part of the Company.

The number of pending requests for dematerialisation as on March 31, 2013 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. COMMITTEE OF DIRECTORS :

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

COMPOSITION :

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

Name of the Director		Category
Mr. Hemant M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Vyomesh M. Shah	Member	Promoter, Non-Independent, Executive
Mr. Madhukar B. Chobe (upto December 31, 2012)	Member	Non-Promoter, Non-Independent, Executive

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

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

CORPORATE GOVERNANCE REPORT (CONTD.)

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
2009-2010	September 29, 2010	Walchand Hirachand Hall, 4th floor, Indian Merchants' Chamber Building, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020	11.30 A.M.	no special resolution was passed in the meeting.
2010-2011	August 11, 2011	M. C. Ghia Hall, 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 07, 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-Wholetime Directors of the Company for a period of three financial years from April 1, 2012 to March 31, 2015. ii. issue of shares pursuant to Section 81 (1A) of the Companies Act, 1956 and Chapter VIIIA of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended. iii. amendment of Article 193 of the Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956.

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. 2009-2010, 2010-2011 and 2011-2012 respectively.

POSTAL BALLOT :

No Postal Ballot was conducted during the year under review. Presently, there is no proposal for passing any special resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General meeting requires passing a special resolution through Postal Ballot.

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.

6. CODE OF CONDUCT :

The Company has adopted Code of Business Conduct and Ethics for the Board of Directors and Senior Management 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, 2013. 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 :

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

Mr. Chetan S. Mody - Company Secretary has been appointed as the Compliance Officer for monitoring adherence to the Regulations.

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

In compliance with the provisions of the said Code, all Directors and Designated Employees have disclosed their dealings, if any, in the shares of the Company including disclosures regarding changes in their shareholding during the financial year and position as at the end of the financial year. 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 result of the Company for the year under review.

9. DISCLOSURES :

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

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

Transactions with related parties entered into by the Company in the normal course of business are placed before the Audit and Compliance Committee. Details of related party transactions as per requirements of Accounting Standard - AS 18 – 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note 35 to the Accounts in the Annual Report. Except the transactions disclosed under the said note, there are no other significant related party transaction 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.

CORPORATE GOVERNANCE REPORT (CONTD.)

b. Disclosure of Accounting Treatment :

In the preparation of the financial statements, the Company follows the Accounting Standards prescribed by 'The Companies Accounting Standards Rules, 2006' and relevant provisions of the Companies Act, 1956 and 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 2 to the Accounts.

c. Risk Management :

A system is being evolved to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework.

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

The Company has 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. There were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

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

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

f. Disclosure by Senior Management to the Board :

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

g. Mandatory requirements :

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

h. Non-mandatory requirements :

aa. Non-Executive Chairman's Office :

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

bb. Tenure of Independent Directors :

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

cc. Remuneration Committee:

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

dd. Shareholder Rights :

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

ee. Audit Qualifications :

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

ff. Training of Board Members :

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.

gg. Mechanism for evaluating Non-Executive Directors :

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

hh. Whistle Blower Policy :

The Audit and Compliance Committee and the Board have adopted a Whistle Blower Policy and necessary mechanism has been put in place in line with Clause 49 of the Listing Agreement, for employees to make protective disclosures to the management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Company affirms that no employee of the Company has been denied access to the Audit and Compliance Committee.

CORPORATE GOVERNANCE REPORT (CONTD.)

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, 2013 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, 2013 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. GENERAL SHAREHOLDER INFORMATION :

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

12. 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 Return of the Company.

13. 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, 2012.	21	282
Number of shareholders who approached for transfer of shares from suspense account during the year 2012-2013.	—	—
Number of shareholders to whom shares were transferred from suspense account during the year 2012-2013.	—	—
Aggregate number of shareholders and the outstanding shares in the suspense account at the end of the year i.e. March 31, 2013.	21	282

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

14. WEBSITE :

The Company's website www.hubtown.co.in contains a separate dedicated section 'Investor Relations' which provides information to the shareholders on shareholding pattern as at the end of each quarter, the Chairman's speech, the quarterly unaudited and annual audited financial results, annual reports, code of business conduct and ethics, code of conduct for prevention of insider trading 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 and Employees 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, 2013.

For **Hubtown Limited**

Vyomesh M. Shah
Managing Director

Mumbai, May 29, 2013

CERTIFICATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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

- a. We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2013 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, 2013 which are fraudulent, illegal or violative of the Company's Code of Business Conduct and Ethics;
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors of the Company and the Audit and Compliance Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies; and
- d. We further certify that we have indicated to the Auditors and the Audit and Compliance Committee that:
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting;

For **Hubtown Limited**

Vyomesh M. Shah
Managing Director

Bharat Mody
Chief Financial Officer

May 29, 2013



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 2013, 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 examination, and the information and explanations given to us by the Company.

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

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

For **Ashish Bhatt & Associates**
Company Secretaries

Ashish Bhatt
Membership No 4650
CP No 2956

Date: May 29, 2013
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 Fifth Annual General Meeting :

Day	Monday
Date	September 30, 2013
Time	10.30 a.m.
Venue	Walchand Hirachand Hall, 4th floor Indian Merchants' Chamber Building Indian Merchants Chamber Marg Churchgate, Mumbai 400020

2. Financial Calendar :

For the Financial Year 2013 – 2014, the Financial Results will be announced as per the following tentative schedule (subject to change) :

Financial reporting for the First Quarter ending June 30, 2013	} within 45 days of the close of the respective reporting period.
Financial reporting for the Second Quarter ending September 30, 2013	
Financial reporting for the Third Quarter ending December 31, 2013	
Financial reporting for the Year ending March 31, 2014	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 **Monday, September 23, 2013 to Monday, September 30, 2013** (both days inclusive).

4. Dividend Payment Date:

The dividend of ₹ 1/- per share as recommended by the Board of Directors, if approved by the members, will be dispatched / remitted commencing on or after October 04, 2013.

5. (a) Registered Office :

'Hubtown Solaris', 2nd floor,
N. S. Phadke Marg, Opp. Telli Gully
Andheri (East), Mumbai – 400 069
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 2013 - 2014.

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 2013-2014 on the basis of number of beneficial accounts maintained by the respective depositories as on March 31, 2013.

9. Market Price Data during 2012-2013 :

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, 2012 to March 31, 2013 are given below:

MONTH	BSE			NSE		
	High (₹)	Low (₹)	Volume (in nos.)	High (₹)	Low (₹)	Volume (in nos.)
April 2012	196.00	173.15	144384	197.95	176.05	281926
May 2012	192.90	173.05	329118	190.90	173.00	388772
June 2012	188.80	175.10	73972	186.00	174.65	115809
July 2012	182.80	167.00	60480	204.40	169.90	128157
August 2012	179.95	163.00	139197	178.85	163.55	107638
September 2012	179.90	162.60	36286	180.80	162.50	71627
October 2012	183.45	164.00	136900	183.95	162.25	554922
November 2012	178.00	161.25	43222	176.00	156.00	150247
December 2012	232.40	164.30	299649	233.00	170.00	573563
January 2013	197.90	165.00	142906	197.00	164.70	107432
February 2013	177.00	152.75	130513	175.30	152.35	44905
March 2013	163.90	132.00	277086	166.55	138.00	160994

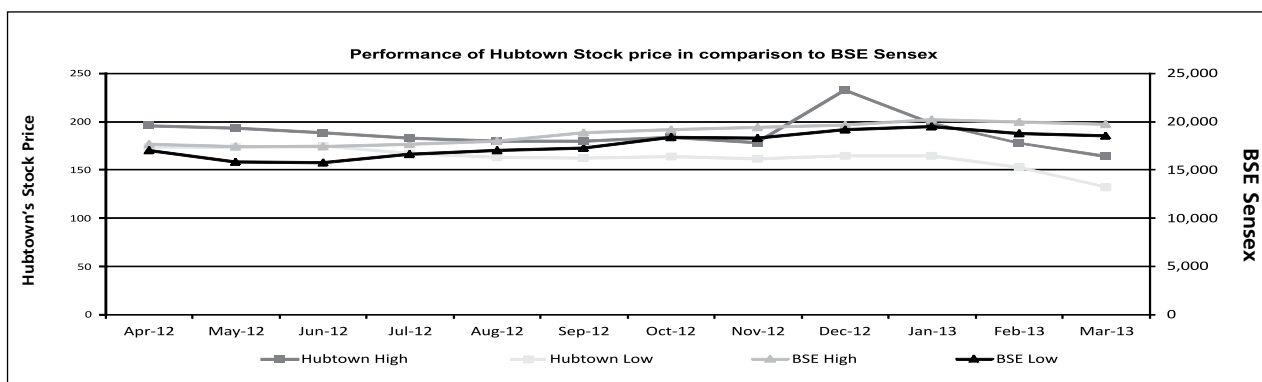
Source : www.bseindia.com; www.nseindia.com

10. Market Capitalisation :

	BSE	NSE
No. of shares traded	1813713	2685992
Highest Share Price (₹)	232.40	233.00
Lowest Share Price (₹)	132.00	138.00
Closing Share Price as on March 31, 2013 (₹)	140.00	139.95
Market Capitalisation as on March 31, 2013 (₹ in crores)	1018.30	1017.94

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, 2013 :

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 500	24080	97.98	924838	1.27
501 - 1000	217	0.88	170198	0.23
1001 - 2000	96	0.39	147597	0.20
2001 - 3000	36	0.14	93779	0.13
3001 - 4000	17	0.07	59593	0.08
4001 - 5000	17	0.07	79488	0.11
5001 - 10000	35	0.14	236422	0.33
10001 - above	79	0.32	71023956	97.65
TOTAL	24577	100	72735871	100

SHAREHOLDER INFORMATION (CONTD.)

16. Distribution of shareholding by ownership as on March 31, 2013 :

CATEGORY	No. of Shareholders	No. of shares held	% of Total
A. Shareholding of Promoter and Promoter Group			
1. Indian			
a. Individuals / Hindu Undivided Family	18	59400000	81.67
b. Bodies Corporate	2	600000	0.82
Sub-Total (A) [1]	20	60000000	82.49
2. Foreign	---	---	---
Sub-Total (A) [2]	---	---	---
A. Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)	20	60000000	82.49
B. Public Shareholding			
1. Institutions			
a. Mutual Funds	1	364	0.00
b. Financial Institutions / Banks	---	---	---
c. Venture Capital Fund	---	---	---
d. Insurance Companies	1	56937	0.08
e. Foreign Institutional Investors	6	1215048	1.67
Sub-Total (B) (1)	8	1272349	1.75
2. Non-Institutions			
a. Bodies Corporate	445	5998813	8.25
b. Resident Individuals			
i. Individual shareholders holding nominal capital upto ₹1 lac	23764	1388712	1.91
ii. Individual shareholders holding nominal capital in excess of ₹ 1 lac	29	2287377	3.14
c. Trusts	7	91	0.00
i. Non-Residents	181	1742329	2.40
ii. Overseas Corporate Bodies	2	11	0.00
iii. Clearing Members	121	46189	0.06
Sub-Total (B) (2)	24549	11463522	15.76
B. Total Public Shareholding (B) = (B)(1) + (B) (2)	24557	12735871	17.51
GRAND TOTAL (A) + (B)	24577	72735871	100

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, 2013, 7,27,35,869 equity shares constituting nearly 100 % of the total share capital of the Company were held in dematerialized form.

Status of Dematerialisation as on March 31, 2013 :

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL
National Securities Depository Limited	66977211	92.08
Central Depository Services (India) Limited	5758658	07.92
TOTAL DEMATERIALISED	72735869	100.00
PHYSICAL	2	0
GRAND TOTAL	72735871	100

SHAREHOLDER INFORMATION (CONTD.)

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

As at March 31, 2013, the Company has not issued any such securities.

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 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.	Respective Depository Participants of the Shareholders

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 :

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

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

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 Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and the total number of shares in physical form.

SHAREHOLDER INFORMATION (CONTD.)

24. 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, 2013

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, 2013, and the Statement of Profit and Loss and 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

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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 qualified audit opinion.

Basis for Qualified Opinion

1. *Attention is invited to Note no. 29 with regard to a major fire which took place at the registered office of the Company on December 23, 2011, causing extensive damage and destruction of the records, documents and assets of the Company, including the financial accounting records. The Company has however substantially reconstructed the financial records which have been relied upon for our opinion. The management is of the opinion that no significant adjustment would be necessary, to the position reported in the financial statements, upon reconstruction of balance documents and records.*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *subject to the matters included in paragraph 1 above*, the 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, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is invited to:

- (a) Note no. 2 (III) (A) (ii) & (iii) in the financial statement with regard to recognition of expense and income for ongoing projects which is based upon estimated costs, as per the judgement of the management, which have been relied upon by us, these being technical matters.
- (b) Note no. 4 (footnote c) in the financial statement with regard to the dividend recommended by the Board of Directors, wherein the concurrence of the secured debenture holders are required to be obtained in accordance with the ICDR guidelines and Debenture Trust Deed.
- (c) Note no. 4 (footnote d) in the financial statement with regard to non creation of investments to the extent of 15% of the value of redeemable debentures, which is required to be created and earmarked in accordance with the requirement of the Companies Act, 1956.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- (d) Note no. 13 (footnote c) in the financial statement with regard to investment in certain debentures.
- (e) Statement of Profit & Loss which includes share of profit (net) from investment in partnership firms aggregating ₹ 3282.76 lacs and investments in these firms aggregating ₹ 33,987.39 lacs (Refer Note 13 (F) & (G), Note 17 and 'Current account balance' in Note 10); are based on financial statements of the firms as audited by other auditors whose reports have been furnished to us and which have been relied upon by us.
- (f) Note no. 13 (footnote e) regarding the Company's investments aggregating ₹ 257.60 lacs in and loans and advances aggregating ₹ 95,702.98 lacs to, certain subsidiaries, joint 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, investments in these entities are considered strategic and long term in nature, the entities are in early stage of real estate development and in the opinion of the Company, have current market values of certain property significantly in excess of carrying values and are expected to achieve adequate profitability on substantial completion of their projects.
- (g) Note no. 18 (footnote b) of the financial statement regarding the status of the projects and the opinion framed by the Company regarding realizable value of the cost incurred, being a technical matter, relied upon by us.
- (h) Note no. 22 (footnote) of the financial statement, with regard to the compensation received towards yield, which is arising on account of restructuring of the originally contracted respective terms for investments made through debentures.
- (i) Note no. 34(B), regarding guarantees issued and securities provided aggregating ₹ 31,018.45 lacs issued by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the profit for the year and net worth of the Company. In the opinion of the Company, these are not expected to result into any financial liability to the Company.
- (j) Note no. 34 (footnote) of the financial statement, with regard to reliance placed by the auditors on certification received from the management, with regard to corporate guarantees given by the Company.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, 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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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 & Associates

Firm Registration Number: 121773W
Chartered Accountants

Dinesh Doshi

Partner
Membership No.: F-9464

Mumbai: May 29, 2013

For Haribhakti & Co.

Firm Registration Number: 103523W
Chartered Accountants

Chetan Desai

Partner
Membership Number: F-17000

Mumbai: May 29, 2013

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, substantial part of the fixed assets has not been disposed of 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 weakness 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 into 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 relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits;
- vii. In our opinion, the Company has an internal audit system commensurate with its size and 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 VAT, Income tax deducted at source 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 ₹9,62,85,906, Maharashtra VAT of ₹ 29,96,429 and Service Tax of ₹ 1,79,54,073 remained outstanding for a period exceeding six months;
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, other than the following;

Statute and nature of dues	Financial Year	Amount not Deposited ₹	Forum where dispute is pending
Income Tax Act, 1961:			
Income Tax	2009-2010	6,45,521	Commissioner of Income Tax (Appeals)

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. According to the records of the Company examined by us and the information, explanations and confirmation certifications given to us, at the balance sheet date, the Company is not a defaulter in the repayment of dues to banks and financial institutions. The Company has defaulted in repayment of dues to debenture holders amounting to ₹ 1,43,56,94,511 (balance outstanding on the last day of the year) that became due for redemption on 1st March 2013, which includes an instance of delay in payment of interest amounting to ₹ 5,00,00,000 for a period of 181 days, upto the date of maturity;
- 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 & 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 purpose 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 explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956;
- xix. According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 3,000 debentures of ₹1,00,000 each. The Company has created charge in respect of debentures issued;
- xx. The Company has not raised any money by public issues during the year;
- 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 & Associates

Firm Registration Number: 121773W
Chartered Accountants

Dinesh Doshi

Partner
Membership No.: F-9464

Mumbai: May 29, 2013

For Haribhakti & Co.

Firm Registration Number: 103523W
Chartered Accountants

Chetan Desai

Partner
Membership Number: F-17000

Mumbai: May 29, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As At 31 March, 2013 (₹ in lacs)	As At 31 March, 2012 (₹ in lacs)
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	7,273.59	7,273.59
Reserves and surplus	4	158,554.08	156,220.01
		165,827.67	163,493.60
Non-Current Liabilities			
Long-term borrowings	5	66,476.47	35,818.06
Long-term trade payables	6	1,150.11	932.68
Other long-term liabilities	7	1,687.18	121.53
		69,313.76	36,872.27
Current Liabilities			
Short-term borrowings	8	31,762.11	41,185.40
Trade payables	9	8,145.60	9,597.19
Other current liabilities	10	102,453.52	118,695.18
Short term provisions	11	937.88	993.60
		143,299.11	170,471.37
Total		378,440.54	370,837.24
II. ASSETS			
Non-current assets			
Fixed assets :	12		
Tangible assets		2,492.46	2,707.57
Intangible assets		164.49	258.42
Capital work-in-progress		66.09	—
Non-current investments	13	85,095.80	76,854.02
Deferred tax asset (Net)	14	1,203.53	892.61
Long term loans and advances	15	20,811.21	23,525.68
Other non-current assets	16	7,736.71	9,660.65
		117,570.29	113,898.96
Current assets			
Current investments	17	7,578.86	9,425.56
Inventories	18	76,972.71	69,940.86
Trade receivables	19	8,666.83	10,381.69
Cash and bank balances	20	4,281.30	4,159.33
Short-term loans and advances	15	135,411.04	145,555.79
Other current assets	16	27,959.51	17,475.05
		260,870.25	256,938.28
Total		378,440.54	370,837.24

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

As per our report of even date

For and on behalf of the Board of Directors

For **DOSHI DOSHI & ASSOCIATES**
Chartered Accountants

For **HARIBHAKTI & CO.**
Chartered Accountants

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2013

Mumbai
Date: 29th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
I. INCOME			
Revenue from operations	21	31,407.69	26,485.96
Other income	22	19,205.65	17,234.72
Share of profit / (loss) from joint ventures and partnership firms (Net)		3,282.76	(442.27)
[Refer note 35 (xxiii) and (xxiv) for details]			
Total		53,896.10	43,278.41
II. EXPENSES			
Costs of construction / development	23	12,803.39	17,767.07
Changes in inventories of work-in-progress, finished properties and FSI	24	(6,611.91)	(19,616.76)
Employee benefits expense	25	1,328.73	2,109.15
Finance costs	26	33,444.43	28,710.82
Depreciation and amortisation	27	573.43	702.64
Other expenses	28	9,586.15	10,326.85
Total		51,124.22	39,999.77
Profit before extraordinary items and tax		2,771.88	3,278.64
Extraordinary item	29	—	(350.00)
Profit before tax		2,771.88	2,928.64
Tax expense :			
Current tax [Refer note 11 (b)]		—	—
Excess / (Short) provision for taxation in respect of earlier years		(24.45)	1,246.06
Deferred tax (charge) / credit		310.92	414.80
Profit after tax but before adjustments		3,058.35	4,589.50
Prior period adjustments (Net)	30	7.52	(604.70)
Profit for the year		3,065.87	3,984.80
Earning per equity share of nominal value of ₹ 10/- each	31		
Earnings before extraordinary item:			
Basic and diluted		4.22	5.96
Earnings after extraordinary item:			
Basic and diluted		4.22	5.48

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

As per our report of even date

For and on behalf of the Board of Directors

For **DOSHI DOSHI & ASSOCIATES**
Chartered Accountants

For **HARIBHAKTI & CO.**
Chartered Accountants

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2013

Mumbai
Date: 29th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31 March 2013 (₹ in lacs)	31 March 2012 (₹ 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	2,771.88	3,278.64
Add / (Less) :		
Finance costs	33,444.43	28,315.06
Share of Profit / (Loss) from investment in partnership firms and JVs	(3,282.76)	442.27
Profit on sale of investments in subsidiaries, JVs, etc. developing real estate projects	(3,086.66)	(14,262.56)
Depreciation and amortisation	573.42	702.64
Provision for doubtful advances and bad debts	35.00	10.66
Provision for diminution in value of investments	1.58	-
Expenditure incurred in joint venture projects written off	4,849.68	2,413.66
Project expenses written off	-	3,031.18
Prior period adjustments [Net of Income of ₹ 128.04 (P.Y. ₹ 12.26)]	7.52	59.74
Advances and other debit balances written off	42.55	20.83
Surplus on sale of fixed assets	-	(0.61)
Gain on sale of investments	(41.86)	(7.67)
Provisions no longer required	(193.90)	(196.11)
Dividend from non-current investments / current investments	(700.00)	(0.45)
Interest income	(18,880.58)	(16,708.45)
Operating profit before working capital changes	12,768.42	3,820.20
Add / (Less) :	15,540.30	7,098.84
(Increase) / Decrease in inventories	(7,031.85)	(18,435.57)
(Increase) / Decrease in trade and other receivables (including current investments)	(12,477.90)	6,769.49
Increase / (Decrease) in trade and other payables	11,992.64	15,484.18
Direct taxes paid	(708.16)	(2,243.75)
Net cash flow from operating activities	(8,225.27)	1,574.35
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES	7,315.03	8,673.19
Inflow / (Outflow) on account of :		
Dividend from non-current investments / current investments	700.00	0.45
Interest income received	18,758.66	16,683.58
Repayment received towards loans given	85,750.84	62,065.43
Loans and advances given	(71,557.24)	(78,781.64)
Refund received towards advance share application	4,143.42	5,079.51
Advance paid towards share application	-	(2,239.12)
Decrease in fixed deposits with maturity of more than three months	1,376.22	1,195.87
Purchase of fixed assets, including capital work-in-progress	(954.67)	(1,845.91)
Proceeds from sale of fixed assets	0.08	1,420.30
Proceeds from long term / current investments	4,826.24	30,896.71
Purchase of long term / current investments	(9,037.18)	(22,587.42)
Net cash flow from investing activities	34,006.37	11,887.76
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Proceeds from long-term borrowings	56,304.48	35,791.01
Repayment of long-term borrowings	(57,740.11)	(38,065.68)
Proceeds from short-term borrowings	9,677.00	31,303.91
Repayment of short-term borrowings	(19,100.29)	(21,728.21)
Finance costs paid	(29,687.21)	(25,444.55)
Dividend paid	(727.37)	(1,209.03)
Dividend tax paid	(4.44)	(911.38)
Net cash flow from financing activities	(41,277.94)	(20,263.93)
Net increase in cash and cash equivalents (I + II + III)	43.46	297.02
Add: Balance at the beginning of the year	3,334.74	3,037.72
Cash and cash equivalents at the end of the year	3,378.20	3,334.74
Components of cash and cash equivalents (Refer note 20)		
Cash and cash equivalents:		
Cash on hand	24.51	24.04
Balances with banks		
- in current accounts	2,152.12	1,895.05
- in deposits with maturity of less than three months	1,201.57	1,415.65
	3,378.20	3,334.74

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**
Chartered Accountants

For **HARIBHAKTI & CO.**
Chartered Accountants

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
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BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2013

Mumbai
Date: 29th May, 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 / 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 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.

Further, revenue recognized in the aforesaid manners 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '2' (Contd.)

- 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. 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.
- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '2' (Contd.)

- 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. Expenditure incurred on joint venture projects

'Expenditure on Joint Venture Projects' incurred by the Company which as per the contractual arrangement cannot be transferred to joint venture entities, have been written off to the statement of profit and loss. Upto the previous financial year, based on a legal opinion, the Company considered these expenses as part of inventories. Considering uncertain period involved in delivery of projects and also due to periodical change in budget estimate and profitability of the projects, the Company has decided to write off such amounts. As a result of such change in accounting policy, the profit (before tax) for the year ended March 31, 2013 is lower by ₹ 7,945.35 lacs (current year expenditure ₹ 3,095.67 lacs and accumulated expenditure upto last year ₹ 4,849.68 lacs).

VIII. 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".

IX. 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.

X. 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 to the statement of profit and loss during the relevant period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '2' (Contd.)

XI. 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.

XII. 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.

XIII. 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.

XIV. Impairment of assets

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

XV. Taxation

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are 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.

XVI. Provisions, contingent liabilities and contingent assets

Provisions involving a substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not 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, 2013

NOTE '3'

SHARE CAPITAL

AUTHORISED

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

ISSUED, SUBSCRIBED AND PAID UP

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

Total

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ 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

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

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, 2013		31 March, 2012	
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%
647,349	0.89%	647,349	0.89%
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%
26,488,522	36.41%	26,488,522	36.41%
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, 2013

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '4'		
RESERVES AND SURPLUS		
Securities premium account	60,716.12	60,716.12
Debenture redemption reserve (Refer footnote b)		
Balance as per last financial statements	10,475.00	7,475.00
Add / (Less) :		
Amount transferred from surplus balance in the statement of profit and loss	—	3,000.00
Amount transferred to general reserve	—	—
	10,475.00	10,475.00
General reserve		
Balance as per last financial statements	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 financial statements	65,508.89	65,369.45
Profit for the year	3,065.87	3,984.80
Tax credit on proposed equity dividend (Refer footnote a)	113.56	—
Less: Appropriations:		
Proposed equity dividend (Refer footnote c)	727.36	727.36
Tax on proposed equity dividend	118.00	118.00
Transfer to debenture redemption reserve	—	3,000.00
Transfer to general reserve	—	—
Total appropriations	845.36	3,845.36
Net surplus in the statement of profit and loss	67,842.96	65,508.89
Total	158,554.08	156,220.01

Footnotes:

- During the 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 115O(1A) of Income Tax Act, 1961.
- During the year, the Company transferred an amount of ₹ Nil (P.Y. ₹ 3,000.00 lacs) to debenture redemption reserve in accordance with the provisions of Section 117C of the Companies Act,1956.
- 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 ₹ 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, 2013

	Non Current Portions		Current Maturities	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '5'				
LONG-TERM BORROWINGS				
Debentures (Secured):				
7,999 (P.Y. 7500) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote a)	2,904.19	6,300.00	3,872.25	1,200.00
2,500 (P.Y. Nil) Redeemable, non-convertible debentures of the face value of ₹ 1,00,000 each (Refer footnote b)	—	—	2,500.00	—
Current Year: Nil (P.Y. 10,000) Redeemable non-convertible debentures of the face value of ₹ 100,000 each	—	—	—	10,000.00
1,000 (P.Y. 1,000) Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each (Refer footnote c)	—	—	4,712.29	7,000.00
Term Loans (Secured):				
From banks (Refer footnote d)	60,827.69	25,374.76	23,957.71	50,380.79
From financial institutions (Refer footnote e)	1,950.00	1,650.00	9,350.00	14,342.19
Deposits (Unsecured): (Refer footnote f)				
From related parties [Refer note 35 (v) and (vi)]	643.40	1,987.01	74.50	—
From public	119.03	253.40	98.90	49.43
Other loans and advances:				
Loan from others (Secured) (Refer footnote g)	32.16	61.32	77.15	2,075.78
Loan from others (Unsecured) (Refer footnote h)	—	191.57	384.74	2,073.40
	66,476.47	35,818.06	45,027.54	87,121.59
The above amounts include :				
Secured borrowings	65,714.04	33,386.08	44,469.40	84,998.76
Unsecured borrowings	762.43	2,431.98	558.14	2,122.83
Amount disclosed under "Other Current Liabilities" (Refer note '10')	—	—	(45,027.54)	(87,121.59)
Total	66,476.47	35,818.06	—	—

Footnotes:

- 4499, 18.50% debentures & 3000, 25.17% debentures having redeemable balance of ₹ 84,000 each and 500, 18.50% debentures having redeemable balance of ₹ 95,455 each to be redeemed in twenty two equal monthly installments. 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.
- 21% debentures of ₹ 2,500.00 lacs are redeemable in five equal monthly installments commencing from April 2013. 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, 2013

NOTE '5' (Contd.)

- c. 17% Debentures of ₹ 4,712.29 lacs are secured by mortgage/charge on the immoveable properties located at Jogeshwari (East), Mumbai, first charge of the premises on 3rd floor in the project located at Andheri (East), Mumbai and by pledge of equity shares held by promoters and their family members in the Company.
- d. Secured term loans from banks carry interest rates within a range of 12.50% to 18 %. 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 of projects located in Andheri (East) and Bandra (East), Mumbai.
ii. First charge by way of escrow of receivables from above projects. |
| 3. UCO Bank | i. Mortgage on land and structures thereon in respect of projects at Thane and Telekar Road, Pune
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 project at Andheri (East), Mumbai.
ii. First charge by way of escrow of receivables from above projects.
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 loans from financial institutions carry interest rate within a range of 16 % to 18 %. These loans are secured against pledge of equity shares in the Company held by the promoters and their family members and personal guarantee of one or more promoters. Some of the loans are secured against premises in the project located at Andheri (East), Mumbai and equitable mortgage of land located at Uran, Raigad.
- f. Unsecured long term public deposits carry interest rates within a range of 10.50% to 11.00%. The same will become repayable between a period of 1-3 years.
- g. Secured loans of ₹ 109.31 lacs are vehicle loans from others, which carry interest rates within a range of 10% to 12% and will be repaid between December, 2013 to January, 2016.
- h. Unsecured loans from others carry interest rate of 19.5% and will become due in three equal monthly installments including interest from the balance sheet date.

NOTE '6'

LONG TERM TRADE PAYABLES

Trade payables (Refer footnote to Note 9 for details of dues to micro and small enterprises)

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	1,150.11	932.68
Total	1,150.11	932.68

NOTE '7'

OTHER LONG TERM LIABILITIES

Advance against land procurement

Security Deposits from customers

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	1,390.45	—
	296.73	121.53
Total	1,687.18	121.53

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '8'

SHORT TERM BORROWINGS

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

Loans repayable on demand:

- from companies (Secured) (Refer footnote b)

- from companies (Unsecured) (Refer footnote c)

- from others (Unsecured) (Refer footnote c)

Deposits (Unsecured): (Refer footnote d)

- from public

Loan from related party (Unsecured) (Refer footnote e)

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	1,630.71	12,391.18
	5,200.00	—
	17,052.00	17,340.00
	7,520.00	10,420.00
	228.00	302.00
	131.40	732.22
	31,762.11	41,185.40
	6,830.71	12,391.18
	24,931.40	28,794.22
Total	31,762.11	41,185.40

The above amounts include :

Secured borrowings

Unsecured borrowings

Footnotes:

- a. Working capital loans from banks carry interest rates within a range of 13% to 13.5 % and are secured against the following :

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

- b. Secured loans from companies carry interest rate of 20% to 24% and are repayable on demand. These loans are secured against pledge of equity shares in the Company, held by the promoters and their family members.
- c. Unsecured loans from companies and others carry interest rates within a range of 12% to 36% and are repayable on demand.
- d. Unsecured short term public deposits carry an interest rate of 10%. The same will become due as per the respective maturity dates.
- e. Unsecured loan taken from related party carries interest rate of 15% and is repayable on demand.

NOTE '9'

TRADE PAYABLES

Trade Payables (Refer footnotes)

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	8,145.60	9,597.19
Total	8,145.60	9,597.19

Footnotes:

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

- a. 'Trade payables' in Note 6 and Note 9 include ₹ 38.12 lacs (P.Y. ₹ Nil) due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED).
- b. No interest was paid / payable to micro and small enterprises during the year.
- c. 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, 2013

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '10'		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (Refer note 5)	45,027.54	87,121.59
Interest accrued and due on borrowings	3,876.40	1,979.47
Interest accrued but not due on borrowings	8.66	1,931.03
Overdrawn bank balances as per books of account	256.41	595.27
Income received in advance (advance from customers)	27,274.89	17,334.76
Unpaid matured debentures and interest accrued thereon (Refer footnote)	14,356.95	—
Investor Education and Protection Fund will be credited by the following amounts (as and when due):		
- Unclaimed/unpaid dividends	4.40	3.93
Other payables :		
- Statutory dues	3,302.84	2,135.94
- Current account balance in firms and joint ventures	1,601.04	4,843.85
- Employees benefits payables	12.02	517.44
- Other miscellaneous	6,732.37	2,231.90
Total	102,453.52	118,695.18

Footnote:

Period and amount of default as on the balance sheet date in respect of matured debentures and interest accrued thereon:

	31 March, 2013		31 March, 2012	
	(₹ in lacs)	Period	(₹ in lacs)	Period
Overdue Installments:				
10,000 Redeemable non-convertible debentures of the face value of ₹ 100,000 each*	10,000.00	March 2013	Nil	NA
Interest and Premium:				
10,000 Redeemable non-convertible debentures of the face value of ₹ 100,000 each	4,356.95	March 2013	Nil	NA
	14,356.95		Nil	

* 12 % debentures of ₹ 10,000.00 lacs are secured by second ranking mortgage over project land and structures thereon at J.P.Road, Andheri (West), Mumbai, as well as receivables and advances arising from such project and further secured by exclusive charge over land situated at village Mogra, Andheri (East), Mumbai.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '11'

SHORT TERM PROVISIONS

Provisions for Employee Benefits

Provision for gratuity (Refer footnote a)

[Net of plan assets ₹ 191.64 lacs; (P.Y ₹ 179.17 lacs)]

Provision for leave benefit (Net)

Other Provisions

Provision for income tax (Refer footnote b)

Provision for wealth tax

Proposed equity dividend

Provision for tax on equity dividend

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	25.79	81.50
	61.95	59.40
	—	—
	4.78	7.34
	727.36	727.36
	118.00	118.00
Total	937.88	993.60

Footnotes:

- a. An amount of ₹ 26.46 lacs (P.Y. ₹ 75.96 lacs) under defined contribution plan is recognised as income (P.Y. 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 beginning of the year

Current service cost

Interest cost

Actuarial (Gain) / Loss

Benefits paid

Obligation at the end of the year

Change in plan assets :

Fair value of plan assets at beginning of the year

Expected return on plan assets

Actuarial Gain / (Loss)

Contributions

Benefits paid

Fair value of plan assets at end of the year

Experience Analysis - Liabilities

Actuarial (Gain)/Loss due to change in bases

Experience (Gain) / Loss due to change in experience

Experience Analysis - Plan Assets

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

Reconciliation of present value of the obligation and the fair value of Plan

Assets and amounts recognized in the balance sheet:

Present value of the obligation at the end of the year

Fair value of plan assets at the end of the year

Net liability recognized in the balance sheet

Gratuity cost recognised for the year :

Expected rate of return on plan assets

Current service cost

Interest cost

Expected return on plan assets

Actuarial Gain / (Loss)

Net gratuity cost

Investment details of plan assets (Investments with insurer):

Government securities

Bonds / NCDs

Equity Shares

Fixed Deposits and Margin Money Deposits

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	260.67	180.62
	32.91	52.12
	20.79	14.56
	(64.81)	23.81
	(32.14)	(10.44)
	217.43	260.67
	179.17	160.07
	16.44	15.02
	(1.09)	(0.48)
	29.25	15.00
	(32.14)	(10.44)
	191.63	179.17
	2.18	(3.80)
	(66.99)	27.62
	1.09	0.48
	217.43	260.67
	191.63	179.17
	(25.80)	(81.50)
	9.25%	9.50%
	32.91	52.12
	20.79	14.56
	(16.44)	(15.02)
	63.73	24.30
	100.99	75.96
	42.60%	50.79%
	37.26%	42.48%
	4.66%	4.13%
	15.48%	2.60%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '11' (Contd.)

Assumptions:	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
	LIC (1994-96) ULT	LIC (1994-96) ULT	LIC (1994-96) ULT	LIC (1994-96) ULT	LIC (1994-96) ULT
Mortality					
Normal age of retirement	65	65	65	65	65
Discount rate	8.05%	8.50%	8.30%	8.00%	7.75%
Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%	5.00%
Withdrawal plan	1.00%	1.00%	3.00%	3.00%	3.00%
Present value of obligations (₹)	217.43	260.67	180.62	139.05	186.46
Fair value of plan assets (₹)	191.63	179.17	160.07	109.96	26.76
Surplus / (Deficit) in the plan (₹)	(25.80)	(81.50)	(20.55)	(29.09)	(159.69)

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

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

NOTE '12'

FIXED ASSETS

(₹ in lacs)

SR. NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION/AMORTISATION				NET BLOCK	
		As at 31 March, 2012	Additions / Adjustments during the year	Deductions / Adjustments	As at 31 March, 2013	Upto 31 March, 2012	Provided during the year	Deductions / Adjustments	Upto 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
A.	Tangible assets										
	Leasehold land	765.87	—	—	765.87	46.97	25.53	(3.25)	75.75	690.12	718.90
	Commercial premises (Refer footnote)	1,144.72	—	—	1,144.72	82.44	51.64	—	134.08	1,010.65	1,062.28
	Mivan system	419.67	—	—	419.67	291.17	68.14	—	359.31	60.36	128.50
	Computers and laptops	9.77	2.25	—	12.02	1.89	3.54	—	5.43	6.59	7.88
	Furniture and fixtures	378.82	30.83	—	409.65	94.88	55.01	—	149.89	259.76	283.94
	Vehicles	837.92	72.20	0.51	909.61	399.16	116.35	0.43	515.08	394.53	438.76
	Office equipment	79.34	14.30	—	93.64	12.03	11.16	—	23.19	70.45	67.31
	Total A	3,636.11	119.58	0.51	3,755.18	928.54	331.37	(2.82)	1,262.72	2,492.46	2,707.57
B.	Intangible assets										
	Computer software	519.16	—	—	519.16	260.74	93.93	—	354.67	164.49	258.42
	Total B	519.16	—	—	519.16	260.74	93.93	—	354.67	164.49	258.42
C.	Capital work-in-progress	—	—	—	—	—	—	—	—	66.09	—
	Total C	—	—	—	—	—	—	—	—	66.09	—
	GRAND TOTAL (A + B + C)	4,155.27	119.58	0.51	4,274.34	1,189.28	425.30	(2.82)	1,617.39	2,723.04	2,965.99
	Previous Year	5,431.38	1,700.06	2,976.17	4,155.27	1,156.47	538.69	505.88	1,189.28	2,965.99	4,274.90

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '13'

NON CURRENT INVESTMENTS (Unquoted)

(Trade, unless otherwise specified)

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

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

Less: accumulated depreciation / amortisation

B) Investment in equity instruments (At cost)

I) Subsidiary Companies (Fully paid up equity shares)

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ 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) 4,405 Equity shares of ₹ 100/-each (P.Y 4,405) Heet Builders Private Limited	72.21	72.21
i) Current year : Associate (P.Y. 30,000) Equity shares of ₹ 10/- each Holiac Realty Private Limited	—	3.00
j) 100,000 Equity shares of ₹ 10/- each (P.Y.100,000) Halitious Developer Limited	600.00	600.00
k) 45,000 Equity shares of ₹ 10/- each (P.Y.45,000) Devkrupa Build Tech Limited	4.50	4.50
l) 37,000 Equity shares of ₹ 10/- each (P.Y.37,000) Gujarat Akruti - TCG Biotech Limited	3.70	3.70
m) Current Year : Nil (P.Y. 10,000 (Class 'A'))Equity shares of ₹ 10/ each Pushpak Healthcare Services Private Limited	—	1,547.50
n) 47,500 Equity shares of ₹ 10/-each (P.Y. 47,500) Urvi Build Tech Limited	4.75	4.75
o) 36,215 (Class 'A') Equity shares of ₹ 10/- each (P.Y.36,215) Ackruti Safeguard Systems Private Limited	72.43	72.43
p) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Yantti Buildcon Private Limited	5.00	5.00
q) 9,000 Equity shares of ₹ 10/- each (P.Y.9,000) Upvan Lake Resorts Private Limited	0.90	0.90
r) 10,000 Equity shares of ₹ 10 each (P.Y. 10,000) Merrygold Buildcon Private Limited	1.00	1.00
s) 1,000 Equity shares of ₹ 100 each (P.Y. 1,000) Vega Developers Private Limited	1.00	1.00
t) 50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) ABP Realty Advisors Private Limited	5.00	5.00
u) 10,000 Equity shares of ₹ 10/- each (P.Y.10,000) Headland Farming Private Limited	1.00	1.00
v) 10,000 Equity shares of ₹ 10/- each (P.Y.10,000) Heddl Knowledge Private Limited	1.00	1.00
	805.04	2,355.54

c/f

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (Unquoted) (Contd.)

		31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	b/f	805.04	2,355.54
w)	10,000 Equity shares of ₹ 10/- each (P.Y. 10,000) Heeler Hospitality Private Limited	1.00	1.00
x)	50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) Citygold Education Research Limited	5.00	5.00
y)	10,000 Equity shares of ₹ 10/- each (P.Y. 10,000) Citygold Farming Private Limited	1.00	1.00
z)	50,000 Equity shares of ₹ 10/- each (P.Y. 50,000) India Development and Construction Venture Capital Private Limited	5.00	5.00
aa)	12,431,045 (Class 'A') Equity shares of ₹ 10 /- each (P.Y. Associate) Joynest Premises Private Limited	1,324.41	—
ab)	288,007 (Class 'B') Equity shares of ₹ 10 /- each (P.Y. Associate) Joynest Premises Private Limited	31.66	—
ac)	52,558,955 (Class 'C') Equity shares of ₹ 10 /- each (P.Y. Nil) Joynest Premises Private Limited	5,255.90	—
ad)	7,400 Equity Shares of ₹ 10 /- each (P.Y. Nil) Joynest Premises Private Limited	0.74	—
		7,429.75	2,367.54
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)	100,000 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 100,000) Hubtown Bus Terminal (Vadodara) Private Limited	199.00	199.00
f)	15,275 (Class 'D') Equity shares of ₹ 10/- each (P.Y. Nil) Hubtown Bus Terminal (Vadodara) Private Limited	393.29	—
g)	50,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 50,000) Hubtown Bus Terminal (Adajan) Private Limited	5.00	5.00
h)	100,000 (Class 'C') Equity shares of ₹ 10/- each (P.Y. 100,000) Hubtown Bus Terminal (Adajan) Private Limited	479.00	479.00
i)	15,463 (Class 'D') Equity shares of ₹ 10/- each (P.Y. Nil) Hubtown Bus Terminal (Adajan) Private Limited	578.49	—
j)	10,000 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 10,000) Hubtown Bus Terminal (Ahmedabad) Private Limited	1.00	1.00
k)	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
l)	Current Year : Nil (P.Y. 16,500) Equity shares of ₹ 10/- each DLF Info Park Pune Limited (Formerly Known as Ackruti City Magnum Limited)	—	1.65
m)	14,741 Equity shares of ₹ 10/- each (P.Y. 3,215) Hoary Realty Limited	9,504.10	8,843.55
n)	2,837,270 (Class 'A') Equity shares of ₹ 10/- each (P.Y. 2,666,619) Rare Townships Private Limited	7,345.84	6,603.50
o)	425,000 (Class 'B') Equity shares of ₹ 10/- each (P.Y. 425,000) Rare Townships Private Limited	100.00	100.00
p)	25,000 Equity shares of ₹ 100/- each (P.Y. 25,000) Joyous Housing Limited	25.00	25.00
q)	129,000 Equity shares of ₹ 10/- each (P.Y. Associate) Sunstream City Private Limited	12.90	—
		21,414.62	19,028.70

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (Unquoted) (Contd.)

III) Associate Companies

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
a) 8,000 Equity shares of ₹ 10/- each (P.Y.8,000) Pristine Developers Private Limited	0.80	0.80
b) 312,500 Equity shares of ₹ 10/- each (P.Y Nil) Glamorous Properties Private Limited	100.00	—
c) Current year : Jointly controlled company (P.Y.129,000) Equity shares of ₹ 10/- each Sunstream City Private Limited	—	12.90
d) 25,000 Equity shares of ₹ 10/- each (P.Y. 25,000) Whitebud Developers Limited	2.50	2.50
e) 4,997 Equity shares of ₹ 10/- each (P.Y. 4,997) Citywood Builders Private Limited	0.50	0.50
f) 5,000 Equity shares of ₹ 10/- each (P.Y. 5,000) Harbinger Developers Private Limited	0.50	0.50
g) Current year : Nil (P.Y. 3,000) Equity shares of ₹ 10/- each Trans Gulf MEP Engineers Private Limited	—	0.30
h) 4,350 Equity shares of ₹ 10 /- each (P.Y. 4,350) Yellowcity Builders Private Limited	0.44	0.44
i) 6,095 (Class 'A') Equity shares of ₹ 10 /- each (P.Y. 6,095) Vinca Developer Private Limited (Net) (Refer footnote b)	0.61	0.61
j) 275,000 Equity shares of ₹ 10 /- each (P.Y. 275,000) Comral Realty Private Limited	27.71	27.71
k) 2,600 Equity Shares of ₹ 10/- each (P.Y. Nil) Forefront Realty Private Limited	0.26	—
l) Current Year : Subsidiary (P.Y. 9,799,584) (Class 'A') Equity shares of ₹ 10 /- each Joynest Premises Private Limited	—	1,076.46
m) Current Year : Subsidiary (P.Y. 79,061) (Class 'B') Equity shares of ₹ 10 /- each Joynest Premises Private Limited	—	11.79
n) 24,000 Equity shares of ₹ 10/- each (P.Y. Subsidiary) Holiac Realty Private Limited	2.40	—
	135.72	1,134.51
Less: Provision for diminution in the value of investments	0.61	—
	135.11	1,134.51

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	5,000.04
d) 37,815 Equity shares of ₹ 10/- each (P.Y .37,815) Janakalyan Sahakari Bank Limited	3.78	3.78
e) 1 Equity Share of ₹ 10/- (P.Y. Nil) E Commerce Magnum Solutions Limited	1.00	—
	5,012.81	5,007.06
Total (I+II+III+IV)	33,992.29	27,537.81

* Includes ₹ 4.75 lacs on account of registration charges during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (Unquoted) (Contd.)

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
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) 6,671, 21% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10/- each (P.Y. Nil) E Commerce Magnum Solutions Limited	6,671.00	—
	6,691.00	20.00
D) Investment in Debentures (At Cost)		
a) 150,000 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) Current Year Nil, 8% Optionally convertible debentures of ₹ 1,000/- each (P.Y. 135,000) Pivotal Infrastructure Private Limited	—	1,350.00
c) 31,910,000 9% Optionally convertible debentures of ₹ 10/- each (P.Y. 31,910,000) Asmeeta Infratech Private Limited	3,191.00	3,191.00
d) 1,500 18% Optionally convertible debentures of ₹ 100,000/- each (P.Y. 1,500) Urvi Build Tech Limited	650.00	1,500.00
e) 1,500 18% Optionally convertible debentures of ₹ 100,000/- each (P.Y. 1,500) Devkrupa Build Tech Limited	10.00	1,500.00
	11,351.00	15,041.00
E) Investment in Mutual Funds (At cost) (Other than Trade)		
Growth Option		
a) 399,056 units of ₹ 9.7837 of Canara Robeco Gold Saving Fund (NAV ₹ 9.7837 Per unit (P.Y Nil))	39.04	—
b) 15,419.36 units of ₹ 12.8927 of Canara Robeco Indigo Fund (NAV ₹ 12.8927 Per unit (P.Y Nil))	1.99	—
	41.03	—
F) Investment in Bonds (At cost) (Other than Trade)		
a) Cholamandalam Investment & Finance Co. Limited 71, 12.90% Bonds of ₹ 500,000/- each (P.Y Nil)	355.00	—
	355.00	—
G) Capital Investment in Partnership Firms and Joint Ventures (Refer footnote e)	18,542.31	17,062.64
Less: Provision for diminution in the value of investments	2.60	11.92
	18,539.71	17,050.72
H) Current Investment in Partnership Firms and Joint Ventures	9,469.86	8,323.02
I) Expenditure incurred on joint venture projects [Refer note 2(VII)]	—	4,849.68
Total (A+B+C+D+E+F+G+H+I)	85,095.80	76,854.02
Aggregate amount of quoted investments	41.03	—
Aggregate amount of unquoted investments	85,054.77	76,854.02
Aggregate provision for diminution in value of investment:	3.21	11.92

Footnotes:

- Investment property with a carrying value of ₹ 83.18 lacs (P.Y ₹ 87.53 lacs) are subject to first charge against the Company's working capital loans.
- Diminution of ₹ 0.61 Lacs (P.Y. Nil) has been made for Investment.
- The face value of investment in debentures of ₹ 7,500.00 lacs (P.Y. ₹ 7,500.00 lacs) represents the balance value of consideration of sale of development rights in earlier years receivable in future. The Management is of the view that as the consideration was inclusive of profit and interest, no coupon was charged on such debentures.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '13' (Contd.)

Footnotes:

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

		Share in profits (%)	
		31 March, 2013	31 March, 2012
A) Partnership firms			
i. M/s Aarti Projects & Constructions #			
Name of the Partners			
Hubtown Limited	—	27.25	
Dilip Shingarpure	—	—	
Surendra Sanas	—	32.75	
Khilen Shah	—	5.00	
Classic City Infopark Private Limited	—	30.00	
Rushank Shah	—	5.00	
Total Capital of the firm (₹ in lacs)	—	2.99	
# Retired on 30th June, 2012			
ii. M/s Akruti Jay Developers			
Name of the Partners			
Hubtown Limited	66.67	66.67	
Hazel Erectors Limited	33.33	33.33	
Total Capital of the firm (₹ in lacs)	2,491.50	2,491.50	
iii. M/s Shreenath Realtors			
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	2,119.99	
iv. 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	
v. 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	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '13' (Contd.)

NON CURRENT INVESTMENTS (Unquoted) (Contd.)

B) Joint ventures

i. M/s Akruti Jay Chandan Joint Venture

Name of the Co-Venturers

Hubtown Limited

Chandan Shanti Group of Companies

Total Capital of the joint venture (₹ in lacs)

ii. M/s Akruti GM Joint Venture

Name of the Co-Venturers

Hubtown Limited

GM Construction

Total Capital of the joint venture (₹ in lacs)

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

Name of the Co-Venturers

Hubtown Limited

Forefront Property Developers Private Limited

Total Capital of the joint venture (₹ in lacs)

iv. M/s Akruti Realty Forefront Combine

Name of the Co-Venturers

Hubtown Limited

Forefront Property Developers Private Limited

Total Capital of the joint venture (₹ in lacs)

v. M/s Sunstone Developers Joint Venture

Name of the Co-Venturers

Hubtown Limited

Swapanranjan Infrastructure Private Limited

Total Capital of the joint venture (₹ in lacs)

vi. M/s Gulati Estate Joint Venture

Name of the Co-Venturers

Hubtown Limited

Jamanlal Gulati's Trust

Total Capital of the joint venture (₹ in lacs)

Share in profits (%)	
31 March, 2013	31 March, 2012
50.00	50.00
50.00	50.00
282.40	282.40
50.00	50.00
50.00	50.00
910.00	910.00
26.00	75.00
74.00	25.00
10.00	10.00
90.00	90.00
10.00	10.00
435.20	435.20
5.00	5.00
95.00	95.00
100.00	100.00
75.00	75.00
25.00	25.00
13,980.15	13,980.15

- e. The Company has investments in certain subsidiaries, jointly controlled entities and associates aggregating ₹ 257.60 lacs and loans and advances outstanding aggregating ₹ 95,702.98 lacs as at March 31, 2013. 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.

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

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
233.57	261.34
495.39	171.08
474.57	460.19
Total 1,203.53	892.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Non Current		Current	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '15'				
LOANS AND ADVANCES				
Advance to land owners				
Unsecured, considered good	5,398.24	6,820.00	6,875.00	9,000.30
Doubtful	602.00	641.03	—	—
Less: Provision for doubtful advances	(602.00)	(641.03)	—	—
	5,398.24	6,820.00	6,875.00	9,000.30
Security deposits (Unsecured, considered good)	446.05	444.50	—	—
Loans and advances (Unsecured, considered good)				
- to related parties (Refer note 35)	—	—	103,562.38	102,570.62
- to others	—	—	1,178.63	13,951.26
Doubtful	—	—	170.76	135.76
Less: Provision for doubtful advances	—	—	(170.76)	(135.76)
	—	—	104,741.01	116,521.88
Advances recoverable in cash or kind (Unsecured, considered good)				
- to related parties (Refer note 35) (Refer footnote)	1,719.09	3,596.27	4,208.87	4,326.69
- to others	6,118.69	5,768.69	15,329.38	5,294.00
Doubtful	689.93	641.58	—	—
Less: Provision for doubtful advances	(689.93)	(641.58)	—	—
	7,837.78	9,364.96	19,538.25	9,620.69
Other loans and advances:				
Advances towards share application / purchase of shares in entities for interest in projects and others				
- to related parties (Refer note 35)	2,610.69	662.95	—	3,359.68
- to others	907.65	842.65	4,254.52	7,051.00
Advance Income Tax (Net of provisions ₹ 72,670.11 lacs ; (P.Y. ₹ 72,670.11 lacs)	3,610.80	5,390.63	—	—
Loans to employees	—	—	2.26	2.24
	7,129.14	6,896.23	4,256.78	10,412.92
Total	20,811.21	23,525.68	135,411.04	145,555.79
Loans and Advances to:				
Directors of the Company	—	—	—	106.17

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

	Non Current		Current	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '16'				
OTHER ASSETS				
Non current bank balances (Refer note 20)	394.32	1,848.57	—	—
Unbilled revenue	—	—	22,876.35	15,690.85
Prepaid expenses	63.17	18.36	737.28	278.99
Unamortised ancillary cost of arranging the borrowings	1,271.34	741.88	1,141.73	1,096.90
Other receivables (other than trade)	6,000.00	7,000.00	2,788.72	158.74
Others :				
- Interest accrued on fixed deposits	7.88	51.84	149.56	68.70
- Interest accrued on investments	—	—	265.87	180.87
Total	7,736.71	9,660.65	27,959.51	17,475.05

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	165.33	347.51
	7,413.53	9,078.05
Total	7,578.86	9,425.56

Footnotes:

a. M/s Akruti Steelfab Corporation

Name of the Partners

Hubtown Limited

Steelfab Turnkey Projects Limited

Total Capital of the firm (₹ in lacs)

	Share in profits (%)
31 March, 2013	31 March, 2012
55.00	55.00
45.00	45.00
54.74	54.74

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, 2013	31 March, 2012
55.00	55.00
22.50	22.50
22.50	22.50
331.24	715.14

NOTE '18'

INVENTORIES

(Valued at lower of cost or net realisable value)

Stock of materials at site

Incomplete projects

Floor space index (FSI)

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	579.59	159.65
	75,304.44	69,552.15
	1,088.68	229.06
Total	76,972.71	69,940.86

Footnotes:

a. Inventory includes borrowing cost of ₹ 7,759.42 lacs (P.Y. ₹ 9,700.84 lacs) capitalised during the year as per AS-16.

b. 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

Other receivables

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	5,843.99	3,004.36
	2,822.84	7,377.32
Total	8,666.83	10,381.69

Footnote:

Trade receivables include Current Year ₹ Nil (P.Y. ₹ 1,864.53 lacs) due from a customer who had during an earlier year requested the Company to extend the credit period originally granted in the sale agreement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Non Current		Current	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '20'				
CASH AND BANK BALANCES				
Cash and cash equivalents:				
Cash on hand			24.51	24.04
Balances with banks:				
- in current accounts			2,152.12	1,895.05
- in deposits with maturity of less than three months			1,201.57	1,415.65
			3,378.20	3,334.74
Other Bank Balances:				
Unpaid dividend accounts			5.04	4.57
Deposits with maturity of more than three months but less than twelve months	—	—	20.00	160.99
Deposits with maturity for more than twelve months (Refer footnote)	4.19	0.12	—	—
Margin money deposits (Refer footnote)	390.13	1,848.45	878.06	659.03
	394.32	1,848.57	903.10	824.59
Amount disclosed under "Other Non-Current Assets" (Refer note 16)	(394.32)	(1,848.57)	—	—
Total	—	—	4,281.30	4,159.33

Footnote:

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

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '21'		
REVENUE FROM OPERATIONS		
Sale from operations :		
Sale of properties / rights (Net)	26,137.23	8,638.48
Profit on sale of investments in subsidiaries, JVs, etc. developing real estate projects (Net) [Net of loss on sale ₹ Nil ; (P.Y. ₹ 200.00 lacs)]	3,086.66	14,262.56
	34.89	3,421.71
Project management services	29,258.78	26,322.75
Other operating revenue :		
Sale of materials	—	27.62
Dividend from Subsidiary	700.00	—
Lease rentals	1,448.91	135.59
	2,148.91	163.21
Total	31,407.69	26,485.96

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '22'

OTHER INCOME

Dividend from current investments

Interest:

- Loans

- Banks fixed deposits

- Others (Refer footnote)

Surplus on sale / discardment of fixed assets

Net gain on sale of investments

Liabilities written back to the extent no longer required

Miscellaneous income

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	—	0.45
	15,273.39	15,843.17
	261.51	216.13
	3,345.68	649.15
	18,880.58	16,708.45
	0.01	0.61
	41.86	7.67
	193.90	196.11
	89.30	321.43
	325.07	525.81
Total	19,205.65	17,234.72

Footnote:

Includes ₹ 2,000.00 lacs yield compensation (interest) received during the year, arising on account of restructuring the terms of investment made through Debentures.

NOTE '23'

COSTS OF CONSTRUCTION / DEVELOPMENT

Construction costs incurred during the year:

Land / rights acquired

Material and labour costs

Approval and consultation expenses

Other direct development expenses

Add / (Less):

Transferred from capital work-in-progress

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	1,912.58	4,142.79
	7,434.03	8,895.90
	2,770.25	1,809.65
	686.53	1,867.90
	12,803.39	16,716.24
	—	1,050.83
Total	12,803.39	17,767.07

NOTE '24'

CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI

Opening Inventory :

Floor space index (FSI)

Incomplete projects

Add / (Less):

Consumption and / or reversal of floor space index

Project expenses written off

Transferred to tangible fixed assets

Closing Inventory :

Floor space index (FSI)

Incomplete projects

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	229.06	1,340.42
	69,552.15	53,288.47
	69,781.21	54,628.89
	—	(664.44)
	—	(3,031.18)
	—	(768.82)
	69,781.21	50,164.45
	1,088.68	229.06
	75,304.44	69,552.15
	76,393.12	69,781.21
Total	(6,611.91)	(19,616.76)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '25'

EMPLOYEE BENEFITS EXPENSE

[Net of amounts recovered from other entities ₹ 603.18 lacs; (P.Y. ₹ 1,065.05 lacs)]

Salaries, bonus, etc.

Contribution to provident and other funds

Staff welfare expenses

Other fund expenses

Less: Expenditure incurred on joint venture projects

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	1,247.08	2,398.87
	28.84	90.28
	47.08	56.15
	5.73	8.80
	1,328.73	2,554.10
	—	444.95
Total	1,328.73	2,109.15

NOTE '26'

FINANCE COSTS

Interest:

- Debentures

- Fixed loans

- Others

Other borrowing costs

Delayed payments on taxes and statutory dues

Less: Expenditure incurred on joint venture projects

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	5,630.56	4,195.97
	22,336.74	22,293.52
	2,810.66	220.35
	30,777.96	26,709.84
	2,130.16	1,741.60
	536.31	395.77
	33,444.43	28,847.21
	—	136.39
Total	33,444.43	28,710.82

NOTE '27'

DEPRECIATION AND AMORTISATION

Depreciation on tangible fixed assets

Amortization of intangible assets

Depreciation on investment property

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	334.62	444.74
	93.93	93.95
	144.88	163.95
Total	573.43	702.64

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '28'		
OTHER EXPENSES		
[Net of amount recovered from other entities ₹ 382.10 lacs ;(P.Y. ₹ 424.58 lacs)]		
Insurance	49.23	45.00
Rent	197.59	16.14
Rates and taxes	50.11	47.91
Advertisement expenses	274.11	602.00
Advances and other debit balances written off	42.55	20.83
Donations (Refer footnote a)	63.86	32.40
Brokerage	419.96	167.95
Directors' fees and travelling expenses	23.49	44.29
Commission to non-executive directors	44.94	37.20
Provision for diminution in value of investments	1.58	—
Provision for doubtful advances	35.00	7.53
Repairs and society maintenance charges	199.05	206.60
Project expenses written off	—	3,031.18
Legal and professional fees	1,018.26	1,525.94
Expenditure incurred in joint venture projects written off	4,849.68	2,413.66
Interest obligation towards compensation and delayed dues	1,571.78	1,153.48
Other expenses (Refer footnote b)	739.01	1,147.42
Loss on foreign currency fluctuation [Net of ₹ 0.12 lacs (P.Y. ₹ 0.96 lacs)]	5.95	4.86
	9,586.15	10,504.39
Less: Expenditure incurred on joint venture projects	—	177.54
Total	9,586.15	10,326.85
Footnotes:		
a. No donations have been given to political parties.		
b. Auditors' Remuneration (Included in other expenses):		
Audit fees	53.00	53.00
Limited review fees	8.78	9.50
Tax audit fees	1.00	1.00
Certification and other matters	1.10	0.21
Out-of-pocket expenses	1.79	0.82
Service tax on above	7.89	7.58
	73.56	72.11

NOTE '29'

During the previous year, a major fire took place at the registered office of the Company, on 23rd December, 2011, causing extensive damage and destruction of the records, documents and assets of the Company. However, the financial accounting records of the Company were intact. The assets of the Company at its registered office, which were destroyed in the fire, were insured. On account of pending approval of the claims from the insurer, the Company had provided for losses to the extent of current year ₹ Nil (P.Y. ₹ 350.00 lacs) on a prudent basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '30'

PRIOR PERIOD ADJUSTMENTS (NET)

Debits relating to earlier years:

Finance costs

Legal and professional fees

Reversal of floor space index (FSI)

Other expenses

Credits relating to earlier years:

Finance costs

Insurance

Other expenses

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	(14.27)	(0.89)
	(9.40)	(6.34)
	—	(664.44)
	(104.37)	(5.04)
	124.67	40.06
	—	8.81
	10.89	23.14
Total	7.52	(604.70)

NOTE '31'

EARNINGS PER SHARE (EPS)

Net Profit as per Statement of Profit and Loss available for Equity Shareholders before extraordinary item (₹)

Net Profit as per Statement of Profit and Loss available for Equity Shareholders after extraordinary item (₹)

Weighted average number of equity shares outstanding at the end of the year (Nos.)

Earning per equity share (Nominal value per share ₹ 10/- each)

Earnings before extraordinary item;

Basic and diluted

Earnings after extraordinary item (net of tax expense);

Basic and diluted

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	3,065.87	4,334.80
	3,065.87	3,984.80
	72,735,871	72,735,871
	4.22	5.96
	4.22	5.48

NOTE '32'

VALUE OF PAYMENTS MADE IN FOREIGN EXCHANGE

a. Value of imports on CIF basis :

Acquisition of equity instruments

b. Expenditure in foreign currency:

Travelling expenses

Professional / architect fees

Cost of construction

Furniture purchased

Advertisement expenses

Software expenses

Recruitment fees

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	—	5,000.04
	4.39	9.80
	114.31	161.72
	73.71	—
	17.65	—
	41.73	—
	0.95	—
	—	0.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '33'

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 agreement.

Lease rentals receivables:

Not later than one year

Later than one year but not later than five years

Later than five years

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
247.27	836.42
12,556.86	3,213.23
—	—

NOTE '34'

CONTINGENT LIABILITIES (NOT PROVIDED FOR) :

(A) Claims against the Company not acknowledged as debts on account of :

1) Income tax matters under appeal

2) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax)

3) Development permission from forest department

(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)

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
12.52	1,179.91
548.19	548.19
156.22	156.22
31,018.45	78,138.97

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 as identified and issued by the Company and relied upon by the auditors.

NOTE '35'

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (Contd.)

- 14 Heet Builders Private Limited
- 15 Holiac Realty Private Limited (formerly known as Holiac Realty Limited) (upto September 30, 2012)
- 16 India Development And Construction Venture Capital Private Limited
- 17 Joynest Premises Private Limited (from February 15, 2013)
- 18 Merrygold Buildcon Private Limited
- 19 Pushpak Healthcare Services Private Limited (upto June 01, 2012)
- 20 Sheshan Housing & Area Development Engineers Limited
- 21 Upvan Lake Resorts Private Limited
- 22 Urvi Build Tech Limited
- 23 Vama Housing Limited
- 24 Vega Developers Private Limited
- 25 Vishal Nirman (India) Limited
- 26 Vishal Techno Commerce Limited
- 27 Yantti Buildcon Private Limited

II. Associates

- 1 Citywood Builders Private Limited
- 2 Comral Realty Private Limited
- 3 Forefront Realty Private Limited (from June 01, 2012)
- 4 Glamorous Properties Private Limited (from May 25, 2012)
- 5 Harbinger Developers Private Limited
- 6 Holiac Realty Private Limited (Formerly known as Holiac Realty Limited) (from October 01, 2012)
- 7 Joynest Premises Private Limited (upto February 14, 2013)
- 8 Pristine Developers Private Limited
- 9 Trans Gulf MEP Engineers Private Limited (upto September 30, 2012)
- 10 Whitebud Developers Limited
- 11 Vinca Developer Private Limited
- 12 Yellowcity Builders Private Limited
- 13 Sunstream City Private Limited (upto December 31,2012)

III. Jointly controlled entities

- 1 Hubtown Bus Terminal (Adajan) Private Limited (formerly known as Ackruti City Bus Terminal (Adajan) Private Limited)
- 2 Hubtown Bus Terminal (Ahmedabad) Private Limited (formerly known as Ackruti City Bus Terminal (Ahmedabad) Private Limited)
- 3 Hubtown Bus Terminal (Mehsana) Private Limited (formerly known as Ackruti City Bus Terminal (Mehsana) Private Limited)
- 4 Hubtown Bus Terminal (Vadodara) Private Limited (formerly known as Ackruti City Bus Terminal (Vadodara) Private Limited)
- 5 Hubtown Bus Terminal (Surat) Private Limited (formerly known as Ackruti City Bus Terminal (Surat) Private Limited)
- 6 Hoary Realty Limited
- 7 DLF Info Parks Pune Limited (formerly known as Ackruti City Magnum Limited) (upto May 21, 2012)
- 8 Joyous Housing Limited
- 9 Rare Townships Private Limited
- 10 Sunstream City Private Limited (from January 01,2013)
- 11 Aarti Projects and Constructions (upto June 30, 2012)
- 12 Akruti Jay Developers
- 13 Akruti Kailash Constructions
- 14 Akruti Realty Forefront Combine
- 15 Akruti Steelfab Corporation

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (Contd.)

- 16 Shreenath Realtors
- 17 Sole Builders
- 18 Hiranandani Akruti JV
- 19 Akruti Jay Chandan JV
- 20 Primeria JV
- 21 Akruti GM JV
- 22 Akruti SMC JV
- 23 Gandhi Adhivitiya Combine
- 24 Panama JV
- 25 Gulati Estate Joint Ventures

IV. Key Management Personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director
- 3 Mr. Madhukar B. Chobe, Executive Director (upto December 31, 2012)

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 managerial 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 Saicharan Consultancy Private Limited
- 8 Sanskriti Developers Private Limited
- 9 Sunmist Builders Private Limited
- 10 Superaction Realty Private Limited
- 11 Bigcity Developers Private Limited
- 12 Starzone Developers Private Limited
- 13 Trans Gulf MEP Engineers Private Limited (from October 01, 2012)
- 14 Ukay Valves and Founders Private Limited
- 15 Vishwajeet Consultancy Private Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (Contd.)

B. Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
i.	Loans and Advances received/ recovered/ adjusted				
	Citygold Education Research Limited	3,950.25 (212.00)	— (—)	— (—)	— (—)
	Heddle Knowledge Private Limited	4,165.00 (2,317.00)	— (—)	— (—)	— (—)
	DLF Info Parks Pune Limited	— (—)	— (—)	4,915.57 (56.95)	— (—)
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	7,290.99 (5,901.49)
	Akruti Jay Chandan JV	— (—)	— (—)	— (5,503.89)	— (—)
	Sunstream City Private Limited	— (—)	— (12,501.00)	— (—)	— (—)
	Others	9,854.41 (9,056.82)	261.50 (0.25)	6,389.04 (10,622.07)	2,108.89 (1,265.83)
ii.	Loans and Advances given/ repaid/adjusted (including other payments)				
	Heddle Knowledge Private Limited	4,245.13 (1,658.00)	— (—)	— (—)	— (—)
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	6,185.92 (4,614.15)
	Sunstream City Private Limited	— (—)	450.25 (27,011.65)	1,808.23 (—)	— (—)
	Others	6,675.31 (6,101.04)	2,763.48 (1,463.75)	8,231.78 (24,440.62)	2,142.90 (29.30)
iii.	Interest received				
	Sunstream City Private Limited	— (—)	8,308.39 (7,800.78)	— (—)	— (—)
	Devkrupa Build Tech Limited	315.29 (432.81)	— (—)	— (—)	— (—)
	Yantti Buildcon Private Limited	697.67 (543.70)	— (—)	— (—)	— (—)
	Others	1,559.57 (1,435.08)	933.92 (528.14)	551.63 (599.17)	117.23 (405.21)
iv.	Interest paid				
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	71.43 (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	22.71 (18.05)	— (—)
	Kunjal H. Shah	— (—)	— (—)	— (—)	2.04 (48.96)
	Others	— (—)	— (—)	1.69 (—)	39.45 (112.24)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (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 \$
v.	Deposits received				
	Hemant M. Shah	— (—)	— (—)	— (—)	103.50 (140.00)
	Vyomesh M. Shah	— (—)	— (—)	— (—)	138.30 (25.00)
	Kunjal H. Shah	— (—)	— (—)	— (—)	33.08 (575.00)
	Rushank V. Shah	— (—)	— (—)	— (—)	30.00 (162.51)
	Hemant M. Shah HUF	— (—)	— (—)	— (—)	98.92 (170.00)
	Mahipatray V. Shah HUF	— (—)	— (—)	— (—)	96.00 (240.00)
	Others	— (—)	— (—)	— (—)	207.00 (310.00)
vi.	Deposits repaid / pre—matured				
	Kunjal H. Shah	— (—)	— (—)	— (—)	663.00 (575.00)
	Rushank V. Shah	— (—)	— (—)	— (—)	197.51 (160.00)
	Hemant M. Shah (HUF)	— (—)	— (—)	— (—)	170.00 (170.00)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	— (—)	240.00 (240.00)
	Others	— (—)	— (—)	— (—)	775.40 (450.00)
vii.	Directors' Remuneration				
	Hemant M. Shah	— (—)	— (—)	— (—)	85.98 (182.43)
	Vyomesh M. Shah	— (—)	— (—)	— (—)	77.31 (165.84)
	Madhukar Chobe	— (—)	— (—)	— (—)	38.25 (54.00)
	Remuneration to relatives of KMPs				
	Rushank V. Shah	— (—)	— (—)	— (—)	— (2.96)
	Khilen V. Shah	— (—)	— (—)	— (—)	— (2.89)
viii.	Investments (Including Debentures) made				
	Joyneest Premises Private Limited	5,255.90 (—)	— (300.75)	— (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	— (2,132.50)	— (—)
	Gulati Estate Joint Venture	— (—)	— (—)	1,490.00 (12,385.10)	— (—)
	Others	— (3,000.20)	— (0.30)	1,402.89 (13.63)	— (—)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (Contd.)

B. Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of transaction	Subsidiary companies	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
ix.	Investments transferred/ withdrawn				
	Devkrupa Build Tech Limited	1,490.00 (—)	— (—)	— (—)	— (—)
	Urvi Build Tech Limited	850.00 (—)	— (—)	— (—)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	— (2,432.33)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	1.01 (2,500.00)	— (—)
	Others	— (33.35)	— (303.86)	191.50 (66.00)	— (0.76)
x.	Expenditure incurred on joint venture projects				
	Joyous Housing Limited	— (—)	— (—)	— (136.39)	— (—)
	Rare Townships Private Limited	— (—)	— (—)	— (616.94)	— (—)
	Others	— (—)	— (—)	— (—)	— (5.55)
xi.	Advance against share application given				
	Vega Developers Private Limited	— (70.00)	— (—)	— (—)	— (—)
	Gujarat Akruti — TCG Biotech Limited	— (10.00)	— (—)	— (—)	— (—)
xii.	Advance against share application adjusted/refunded				
	Heeler Hospitality Private Limited	— (1,052.09)	— (—)	— (—)	— (—)
	Vega Developers Private Limited	— (1,290.89)	— (—)	— (—)	— (—)
	Rare Townships Private Limited	— (—)	— (—)	742.33 (—)	— (—)
	Others	— (39.74)	2.50 (—)	— (—)	2.50 (0.07)
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 (—)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (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 \$
xv.	Services received/availed				
	Citygold Management Services Private Limited	- (—)	— (—)	— (—)	703.34 (820.83)
	Others	— (—)	— (—)	— (—)	3.08 (—)
xvi.	Services rendered				
	Akruti Jay Chandan JV	— (—)	— (—)	39.20 (132.72)	— (—)
	Quadron Business Park Limited	— (—)	— (—)	— (3,289.00)	— (—)
xvii.	On behalf payments made (Including reimbursement of expenses)				
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (—)	173.64 (172.53)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	207.77 (227.26)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	162.95 (62.47)	— (—)
	Akruti Kailash Constructions	— (—)	— (—)	193.17 (140.94)	— (—)
	Akruti Jay Developers	— (—)	— (—)	183.23 (944.33)	— (—)
	Yantti Buildcon Private Limited	137.87 (22.14)	— (—)	— (—)	— (—)
	Sunstream City Private Limited	— (—)	— (953.01)	2.02 (—)	— (—)
	Others	57.95 (51.15)	15.62 (797.19)	185.92 (921.49)	— (—)
xviii.	On behalf payments received/adjusted				
	Citywood Builders Private Limited	— (—)	2,197.19 (—)	— (—)	— (—)
	Shreenath Realtors	— (—)	— (—)	828.43 (—)	— (—)
	Akruti Jay Developers	— (—)	— (—)	— (4,203.45)	— (—)
	Sunstream City Private Limited	— (—)	— (12,500.00)	— (—)	— (—)
	Quadron Business Park Limited	— (—)	— (—)	— (2,306.19)	— (—)
	Others	22.52 (276.60)	— (43.67)	373.37 (2,027.60)	— (—)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (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 \$
xix.	Corporate Guarantees given for loans availed by others				
	Pristine Developers Private Limited	— (—)	— (3,444.46)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	— (2,244.68)	— (—)
	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 (—)	— (—)
xx.	Corporate Guarantees given for on behalf payments				
	Yantti Buildcon Private Limited	885.83 (885.83)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	282.30 (—)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	837.24 (—)	— (—)
xxi.	Corporate Guarantees vacated for loans availed by others				
	Pristine Developers Private Limited	— (—)	1,056.06 (—)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	267.91 (—)	— (—)
	Quadron Business Park Limited	— (—)	— (—)	— (14,000.26)	— (—)
xxii.	Corporate Guarantees vacated for on behalf payments				
	Yantti Buildcon Private Limited	1,761.65 (—)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	282.30 (—)	— (—)
xxiii.	Purchase of Car				
	Citygold Education Research Limited	— (1.47)	— (—)	— (—)	— (—)
xxiv.	Share of profit from Partnerships/Joint Ventures				
	Hiranandani Akruti JV	— (—)	— (—)	— (39.60)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	7.06 (147.43)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	3,864.67 (—)	— (—)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (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 \$
xxv.	Share of loss from Partnerships/Joint Ventures				
	Akruti Kailash Constructions	— (—)	— (—)	7.39 (309.11)	— (—)
	Akruti Jay Developers	— (—)	— (—)	492.74 (303.97)	— (—)
	Sole Builders	— (—)	— (—)	1.53 (0.57)	— (—)
	Akruti Realty Forefront Combine	— (—)	— (—)	28.77 (2.66)	— (—)
	Akruti Steelfab Corporation	— (—)	— (—)	0.06 (0.04)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	— (1.19)	— (—)
	Hiranandani Akruti JV	— (—)	— (—)	52.53 (—)	— (—)
	Primeria JV	— (—)	— (—)	1.62 (11.71)	— (—)
	Akruti GM JV	— (—)	— (—)	4.24 (—)	— (—)
	Gulati Estate Joint Venture	— (—)	— (—)	0.08 (0.05)	— (—)
xxvi.	Sale of Shares				
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	— (2.50)	— (—)
	Kunjal H. Shah	— (—)	— (—)	— (—)	0.30 (6.15)
	Falguni V. Shah	— (—)	— (—)	— (—)	0.30 (6.15)
	Rushank V. Shah	— (—)	— (—)	— (—)	0.10 (6.15)
	Khilen V. Shah	— (—)	— (—)	— (—)	0.10 (6.15)
	Kushal H. Shah	— (—)	— (—)	— (—)	0.10 (6.15)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (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 \$
xxvii.	Purchase of Shares				
	Vishal Nirman (India) Limited	— (2.13)	— (—)	— (—)	— (—)
	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 (—)
xxviii.	Dividend paid				
	Hemant M. Shah	— (—)	— (—)	— (—)	58.00 (145.00)
	Vyomesh M. Shah	— (—)	— (—)	— (—)	75.40 (188.50)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	— (—)	96.00 (240.00)
	Hemant M. Shah (HUF)	— (—)	— (—)	— (—)	68.92 (172.30)
	Vyomesh M. Shah (HUF)	— (—)	— (—)	— (—)	41.00 (102.50)
	Kunjal H. Shah	— (—)	— (—)	— (—)	53.08 (132.70)
	Falguni V. Shah	— (—)	— (—)	— (—)	63.60 (159.00)
	Rushank V. Shah	— (—)	— (—)	— (—)	36.00 (90.00)
	Khilen V. Shah	— (—)	— (—)	— (—)	36.00 (90.00)
	Kushal H. Shah	— (—)	— (—)	— (—)	36.00 (90.00)
	Lata M. Shah	— (—)	— (—)	— (—)	24.00 (60.00)
	Others	— (—)	— (—)	— (—)	12.00 (30.00)

Footnote:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (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 \$
xxix.	Dividend Received				
	Vishal Techno Commerce Limited	700.00 (—)	— (—)	— (—)	— (—)
xxx.	Balances outstanding				
	Receivable *				
	Sunstream City Private Limited	— (—)	— (58,742.19)	68,480.24 (—)	— (—)
	Akruti Kailash Constructions	— (—)	— (—)	17,558.65 (19,465.29)	— (—)
	Others	21,633.80 (27,696.05)	13,605.19 (11,721.20)	8,606.93# (17,710.94)	255.34 (830.32)
xxxi.	Payable *				
	Akruti SMC JV	— (—)	— (—)	131.40 (86.01)	— (—)
	Akruti Jay Chandan JV	— (—)	— (—)	558.73 (1,524.79)	— (—)
	Aarti Projects and Constructions	— (—)	— (—)	— (2,504.97)	— (—)
	Citygold Management Services Private Limited	— (—)	— (—)	— (—)	490.44 (—)
	Akruti Jay Developers	— (—)	— (—)	789.57 (—)	— (—)
	Others	1.47 (—)	— (2.79)	302.74 (545.60)	797.34 (192.16)
xxxii.	Towards Purchase of TDR / Properties				
	Arnav Gruh Limited	687.00 (—)	— (—)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	250.25 (—)	— (—)
xxxiii.	Towards Sale of FSI / TDR				
	Fourjone Realtors Private Limited	— (—)	— (—)	— (—)	1,021.72 (—)
	Starzone Developers Private Limited	— (—)	— (—)	— (—)	3,000.00 (—)
xxxiv.	Advance Received towards purchase of flat				
	Vinca Developer Private Limited	— (—)	1,061.00 (1,061.00)	— (—)	— (—)

Footnotes:

- \$ Enterprises where key managerial personnel or their relatives exercise significant influence.
- * Including balances relating to transactions entered when these were not related.
- # Includes ₹ 323.69 lacs (P.Y. ₹ 288.69 lacs) provision for doubtful debts in relation to balance receivable from related party.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35' (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 \$
xxxv.	Corporate Gurantee given for loans availed by others (amounts outstanding thereagainst)				
	Pristine Developers Private Limited	— (—)	5,235.95 (6,292.00)	— (—)	— (—)
	Akruti SMC JV	— (—)	— (—)	2,426.10 (2,694.00)	— (—)
	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 (—)	— (—)
xxxvi.	Corporate Gurantee given for on behalf payments (amounts outstanding thereagainst)				
	Yantti Buildcon Private Limited	1,537.53 (2,413.35)	— (—)	— (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	— (—)	2,474.83 (2,474.83)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (—)	282.30 (282.30)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	— (—)	837.24 (—)	— (—)
xxxvii.	Personal Guarantee of Director's				
	Banks	— (—)	— (—)	— (—)	69,544.01 (63,640.27)
	Debenture Trustees	— (—)	— (—)	— (—)	21,204.17 (17,500.00)
	Financial Institutions	— (—)	— (—)	— (—)	16,329.66 (16,257.16)
xxxviii.	Guarantees / Securities by way of shares of KMPs and their relatives in the company pledged against loans availed by the Company				
		—	—	—	68,703.60 (74,355.76)

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 managerial personnel or their relatives exercise significant influence.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '36'

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, 2013		31 March, 2012	
		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	1,019.21	1,019.21
2.	Halitious Developer Limited (Refer footnote b)	—	—	—	2,139.55
3.	Vama Housing Limited (Refer footnote b)	451.50	451.50	451.00	451.00
4.	Arnav Gruh Limited	2,345.94	2,345.94	1,892.66	2,700.54
5.	Devkrupa Build Tech Private limited	452.04	855.70	855.70	3,231.55
6.	Holiac Realty Private Limited (Refer footnote d)	—	—	1,184.23	1,184.23
7.	Sheshan Housing and Area Development Engineers Limited	—	1.09	—	—
8.	Diviniti Projects Private Limited (Refer footnote b)	14.40	2,914.40	—	1.00
9.	Heet Builders Private Limited	1,679.42	1,679.42	1,383.62	1,383.62
10.	Vishal Nirman (India) Limited	—	9.35	—	11.00
11.	Vishal Techno Commerce Limited (Refer footnote b)	1,710.59	1,710.59	1,685.00	1,685.00
12.	Gujarat Akruti–TCG Biotech Limited	6.48	6.48	—	—
13.	Urvi Build Tech Limited	235.43	542.67	542.67	2,350.72
14.	Pushpak Healthcare Services Privated Limited (Refer footnote a)	—	—	—	3.77
15.	Yantti Buildcon Private Limited	3,594.23	3,594.23	2,947.83	2,947.83
16.	Upvan Lake Resorts Private Limited	421.95	421.95	338.08	338.08
17.	Heddle Knowledge Private Limited (Refer footnote b)	1,892.35	5,707.35	1,812.22	2,490.72
18.	India Development And Construction Venture Capital Private Limited	5.91	5.91	5.91	6.86
19.	Citygold Education Research Limited (Refer footnote b)	315.42	4,074.95	3,355.07	3,565.60
20.	Citygold Farming Private Limited (Refer footnote b)	8.82	3,483.82	3,461.82	4,061.82
21.	Ackruti Safeguard Systems Private Limited	1,458.06	1,458.06	1,040.39	1,040.39
22.	Headland Farming Private Limited (Refer footnote b)	926.69	940.19	937.19	1,070.69
23.	Vega Developers Private Limited	1,302.89	1,302.89	1,290.89	1,290.89
24.	Heeler Hospitality Private Limited (Refer footnote b)	590.09	1,052.09	1,052.09	1,052.09
25.	Merrygold Buildcon Private Limited (Refer footnote b)	7.36	7.36	7.36	7.36
26.	ABP Realty Advisors Private Limited	31.74	31.74	26.74	26.74
27.	Joynest Premises Private Limited (Refer footnote e)	423.81	2,656.46	—	—

Footnotes:

- De-subsidiarised during the year
- Interest free loan has been given to wholly owned subsidiary
- Above loans are repayable on demand
- Current year associate
- Last year associate

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '36' (Contd.)

Sr. No.	Name of the Loanee	31 March, 2013		31 March, 2012	
		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	719.76	719.76	580.07	580.07
2.	Trans Gulf MEP Engineers Private Limited (refer footnote d)	—	—	—	0.25
3.	Pristine Developers Private Limited	56.77	56.77	48.44	48.44
4.	Sunstream City Private Limited (refer footnote c)	—	—	55,225.40	55,225.40
5.	Comral Realty Private Limited	3,873.03	3,873.03	3,206.53	3,206.53
6.	Citywood Builders Private Limited	6,611.98	6,611.98	4,338.63	4,338.63
7.	Holiac Realty Private Limited (refer footnote b)	1,559.73	1,559.73	—	—
8.	Joyneest Premises Private Limited (refer footnote e)	—	—	435.85	435.85

Footnotes:

- Above loans are repayable on demand
- Last year subsidiary
- Current year jointly controlled entity
- Sold during the year
- Current year subsidiary

Sr. No.	Name of the Loanee	31 March, 2013		31 March, 2012	
		Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)
C.	Loans to partnership firms and others				
1.	Aarti Projects & Constructions (Refer footnote a)	—	11.00	—	1,000.37
2.	Akruti Jay Developers (Refer footnote a)	1,180.10	2,065.31	—	4,821.25
3.	Akruti Kailash Constructions (Refer footnote a)	—	2,328.28	1,692.21	1,692.21
4.	Sole Builders (Refer footnote a)	1,025.89	1,025.89	871.40	871.40
5.	Shreenath Realtors (Refer footnote a)	2,038.87	2,038.87	1,191.31	1,191.31
6.	Gandhi Adhivitiya Combine	54.59	79.87	—	—
	Others:	—	—	—	—
7.	Giraffe Developers Private Limited (Refer footnote c)	7,500.00	7,500.00	7,500.00	12,500.00
8.	Namdeo P. Gadkari	—	—	20.00	20.00

Footnotes:

- Partnership firms in which the Company is a partner
- Interest free loans
- Transaction towards commercial business arrangement [Refer note 13 (D)(a)]

Sr. No.	Name of the Entity	31 March, 2013		31 March, 2012	
		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	0.01	0.01	—	27.26
2.	Vishal Techno Commerce Limited	—	—	—	85.72
3.	Yantti Buildcon Private Limited	187.78	187.78	49.91	191.39
4.	Upvan Lake Resorts Private Limited	18.30	18.92	17.55	156.80
5.	Joyneest Premises Private Limited	136.93	143.51	—	—
6.	Holiac Realty Private Limited	—	—	38.23	38.23
7.	Pusphak Healthcare Services Private Limited	—	—	6.16	6.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '36' (Contd.)

Sr. No	Name of the Entity	31 March, 2013		31 March, 2012	
		Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)	Balance at the end (₹ in lacs)	Maximum Balance (₹ in lacs)
II. Associates					
1.	Hubtown Bus Terminal (Surat) Private Limited	—	—	37.49	38.51
2.	Whitebud Developers Limited	4.49	4.49	3.72	4.03
3.	Pristine Developers Private Limited	56.69	56.69	56.69	99.5
4.	Citywood Builders Private Limited	—	2,197.19	2,197.19	2,197.19
5.	Hubtown Bus Terminal (Ahmedabad) Private Limited	—	—	30.06	790.81
6.	Comral Realty Private Limited	16.25	16.98	10.86	10.86
7.	Holiac Realty Private Limited	46.03	47.10	—	—
8.	Sunstream City Private Limited	—	—	3,516.79	13,951.85
9.	Joynest Premises Private Limited	—	—	106.22	106.22
III. Jointly Controlled Entities					
1.	Hubtown Bus Terminal (Mehsana) Private Limited	197.40	197.40	44.49	215.16
2.	Hubtown Bus Terminal (Adajan) Private Limited	167.19	384.01	101.23	275.20
3.	Hubtown Bus Terminal (Vadodara) Private Limited	117.74	119.78	47.45	130.11
4.	Hubtown Bus Terminal (Ahmedabad) Private Limited	206.25	239.55	—	—
5.	Joyous Housing Limited	—	6.18	2.53	2.53
6.	Rare Townships Private Limited	0.54	0.54	—	—
7.	Sunstream City Private Limited	3,518.81	3,551.59	—	—
8.	Hubtown Bus Terminal (Surat) Private Limited	37.56	37.65	—	—
IV. Partnership Firms and Joint Ventures					
1.	Shreenath Realtors	—	828.43	828.43	828.43
2.	Aarti Projects & Constructions	—	2.26	—	264.58
3.	Akruti Kailash Constructions	683.73	684.88	490.57	1,204.63
4.	Akruti Jay Developers	183.23	484.04	—	3,821.92
5.	Gandhi Adhivitiya Combine	80.30	82.49	32.60	91.25
6.	Commercial Construction Corporation	0.95	1.33	0.95	4.66
7.	Akruti Jay Chandan Jv	—	0.45	0.45	128.58
8.	Akruti GM JV	467.87	471.50	437.73	437.73
9.	Akruti SMC JV	64.96	85.39	85.39	85.39
10.	Primeria JV	152.93	152.93	152.93	152.93
11.	Akruti Realty Forefront Combine	176.76	176.81	176.58	176.58
12.	Wellgroomed Venture	—	147.45	—	136.00
13.	Panama Joint Venture	91.41	104.05	92.32	92.32
V. Others					
1.	Super Success Private Limited	188.56	188.56	188.56	188.56
2.	Pusphak Healthcare Services Private Limited	3.77	6.16	—	—

Footnote:

Interest free advances

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '37'

A. INTEREST IN THE LIABILITIES, ASSETS, INCOME AND EXPENSES WITH RESPECT TO ENTITIES UNDER JOINT CONTROL AS AT 31st MARCH, 2013

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
LIABILITIES :		
Non-current liabilities		
Long-term borrowings	10,400.93	3,037.56
Deferred tax liabilities	—	6.10
Long-term trade payables	2,351.01	119.62
Other long term liabilities	165.11	415.50
Long-term provisions	5.09	3.05
Current liabilities		
Short-term borrowings	38,646.47	22,998.81
Trade payables	9,308.10	3,364.01
Other current liabilities	21,289.03	11,367.43
Short term provisions	54.81	108.85
ASSETS :		
Non-current assets		
Fixed assets :		
Tangible assets	4,405.12	4,390.74
Intangible assets	42.42	14.22
Capital work-in-progress	12.25	4.25
Non-current investments	1,350.06	1,470.90
Deferred tax asset (Net)		
Long term loans and advances	744.30	212.07
Long term trade receivables	—	11,387.34
Other non-current assets	9,597.94	1,665.95
Current assets		
Current investments	2,364.36	—
Inventories	89,187.94	52,919.42
Trade receivables	7,539.60	9,544.04
Cash and bank balances	1,990.00	4,996.65
Short-term loans and advances	21,216.02	10,556.57
Other current assets	554.11	405.15
TOTAL INCOME:		
Total revenue	8,466.56	7,979.41
Prior period adjustments (Net)	254.97	0.63
EXPENDITURE:		
Costs of construction / development	11,676.16	15,837.61
Changes in inventories of work-in-progress, finished properties and FSI	(16,936.28)	(15,722.20)
Employee benefits expenses	396.68	290.28
Finance costs	8,360.42	5,605.51
Depreciation and amortisation	415.23	438.68
Other expenses	1,615.46	2,941.65
Tax expense	(21.03)	168.16
B. SHARE OF CONTINGENT LIABILITIES AND COMMITMENTS (NOT PROVIDED FOR):		
(A) Claims against the Company not acknowledged as debts on account of :		
1) Income tax matters under appeal	44.31	44.31
2) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax)	20.27	16.89
3) Others	12.50	23.28
(B) Charge created on the assets of jointly controlled entities in favour of bankers / financial institutions for loans availed by other bodies corporate	14,539.18	5,934.58

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, 2013

NOTE '38'

DISCLOSURE OF DERIVATIVES

- No derivative instruments were outstanding at the end of the year.
- Uncovered risks in foreign currency transactions disclosed as at 31 March, 2013.
- Previous year figures are given in brackets.

Particulars	Cash on Hand		Trade Paybles		Advance to Supplier	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
USD	2,982	(2,982)	64,649	(61,258)	120,000	(-)
INR	161,863	(151,665)	3,509,147	(3,115,565)	6,513,600	(-)
EURO	110	(110)	-	(-)	5,922	(-)
INR	7,656	(7,467)	-	(-)	412,171	(-)
UK Pound	67	(67)	-	(-)	-	(-)
INR	5,530	(5,457)	-	(-)	-	(-)
SG \$	165	(165)	-	(61,274)	-	(12,240)
INR	7,217	(6,673)	-	(2,477,903)	-	(494,982)
AED	600	(600)	-	(-)	-	(-)
INR	8,868	(8,310)	-	(-)	-	(-)

NOTE '39'

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

Particulars for all projects	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
Project Revenue recognised in the reporting period	19,165.51	3,498.63
The aggregate amount of cost incurred till date	128,135.63	107,147.62
Advances received (Net of revenue recognition)#	27,274.89	17,334.76
Work-in-progress	75,304.44	69,552.15
Value of inventories	76,972.71	69,940.86
Unbilled revenue	22,876.35	15,690.85

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

NOTE '40'

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 and on behalf of the Board of Directors

For **DOSHI DOSHI & ASSOCIATES**
Chartered Accountants

For **HARIBHAKTI & CO.**
Chartered Accountants

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2013

Mumbai
Date: 29th May, 2013



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, 2013, and the Consolidated statement of profit and loss and 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

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 accounting principles generally accepted in India; this 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 qualified audit opinion.

Basis for Qualified Opinion

1. *Attention is invited to Note 30 with regard to a major fire which took place at the registered office of the Company on December 23, 2011, causing extensive damage and destruction of the records, documents and assets of the Company, including the financial accounting records. The Company has, however, substantially reconstructed the financial records which have been relied upon for our opinion. The management is of the opinion that no significant adjustment would be necessary, to the position reported in the financial statements, upon reconstruction of balance documents and records.*

Qualified 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, associates and joint ventures as mentioned in the 'Other Matter' paragraph below, *subject to the matters included in paragraph 1 above*, the consolidated financial statements give the information

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

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, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the loss 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 no. 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 judgement of the management, which have been relied upon by us, these being technical matters.
- (b) Note no. 5 (footnote b) in the financial statements with regard to the dividend recommended by the Board of Directors, wherein the concurrence of the secured debenture holders are required to be obtained in accordance with the ICDR guidelines and Debenture Trust Deed.
- (c) Note no. 5 (footnote c) in the financial statements with regard to non creation of investments to the extent of 15% of the value of redeemable debentures, which is required to be created and earmarked in accordance with the requirement of the Companies Act, 1956.
- (d) Note no. 14 (footnote c) in the financial statements with regard to investment in certain debentures.
- (e) Note no. 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, being a technical matter, relied upon by us.
- (f) Note no. 23 (footnote) of the financial statements, with regard to the compensation received towards yield, which is arising on account of restructuring of the originally contracted respective terms for investments made through debentures.
- (g) Note no. 38(B), regarding guarantees issued and securities provided aggregating ₹ 22,116.40 lacs issued by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the profit for the year and net worth of the Company. In the opinion of the Company, these are not expected to result into any financial liability to the Company.
- (h) Note no. 38 (footnote) of the financial statements, with regard to reliance placed by the auditors on certification received from the management, with regard to corporate guarantees given by the Company.
- (i) The financial statements of four subsidiaries (which comprises consolidation of two joint ventures) and one of the Joint Venture which reflects total assets of ₹ 33,229.75 lacs as at 31st March, 2013, total revenues (net) of ₹ 2,563.92 lacs and net cash outflow of ₹ 7,227.50 lacs and consolidated financial statements of one Associate (which comprises consolidation of its two step down subsidiaries) which reflect total assets of ₹ 58,801.56 lacs as at 31st March, 2013, total revenues (net) of ₹ 922.22 lacs and net cash inflows of ₹ 26.89 lacs, were compiled, prepared and approved by the management of these subsidiaries, joint venture and associate, which have been furnished to us. We have not audited the financial statements of these entities and have relied on such management accounts.

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

Other Matter

1. We did not audit the financial statements of eighteen subsidiaries and seventeen joint ventures, whose financial statements reflect total assets (net) of ₹ 295,512.12 lacs as at 31st March, 2013, total net revenues of ₹ 6,100.14 lacs and net cash inflows amounting to ₹ 7,605.26 lacs for the year then ended. We also did not audit the financial statements of six associates, whose aggregate share of net loss amounting to ₹ 1.15 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.

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

The standalone financial statements of three subsidiaries and one joint venture, which reflect total assets of ₹ 28,814.56 lacs as at 31st March, 2013, total revenues (net) of ₹ 97.19 lacs and net cash outflows of ₹ 43.44 lacs for the year then ended and the standalone financial statements of three associates, whose aggregate share of net profit amounting to ₹ 362.87 lacs are also included in the consolidated financial statements were audited by one of the joint auditors M/s Doshi Doshi & Associates who has furnished their report to other joint auditor M/s Haribhakti & Co. The other joint auditor has not audited the financial statements of these standalone subsidiaries/ fellow subsidiaries / joint venture and their opinion is based solely on the report of the first joint auditor.

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

Dinesh Doshi
Partner
Membership No.: F-9464

Mumbai: May 29, 2013

For Haribhakti & Co.
Firm Registration Number: 103523W
Chartered Accountants

Chetan Desai
Partner
Membership Number: F-17000

Mumbai: May 29, 2013

E R R A T A

On page 86 of the 'Independent Auditors' Report on the Consolidated Financial Statements, under the heading 'Emphasis of Matter, item (i) should read as :

'The financial statements of four subsidiaries (which comprises consolidation of three joint ventures) and one of the Joint Venture (which comprises consolidation of its one stepdown subsidiary) which reflects total assets of ₹ 33,229.75 lacs as at 31st March, 2013, total revenues (net) of ₹ 2,563.92 lacs and net cash outflow of ₹ 7227.50 lacs and consolidated financial statement of one Associate (which comprises consolidation of its two step down subsidiaries) which reflect total assets of ₹ 58,801.06 lacs as at 31st March, 2013, total revenues (net) of ₹ 922.22 lacs and net cash inflows of ₹ 26.89 lacs, were compiled, prepared and approved by the management of these subsidiaries, joint venture and associate, which have been furnished to the auditors. The auditors have not audited the financial statements of these entities and have relied on such management accounts.'

instead of

'The financial statements of three subsidiaries (which comprises consolidation of two joint ventures) and one of the Joint Venture which reflect total assets of ₹ 33,229.75 lacs as at 31st March, 2013, total revenues (net) of ₹ 2,563.92 lacs and net cash outflow of ₹ 7227.50 lacs and consolidated financial statement of one Associate (which comprises consolidation of its two step down subsidiaries) which reflect total assets of ₹ 58,801.06 lacs as at 31st March, 2013, total revenues (net) of ₹ 922.22 lacs and net cash inflows of ₹ 26.89 lacs, were compiled, prepared and approved by the management of these subsidiaries, joint venture and associate, which have been furnished to the auditors. The auditors have not audited the financial statements of these entities and have relied on such management accounts.'

Note : The words in bold reflect the changes.
There are no changes in / impact on the figures reported in the financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As At 31 March, 2013 (₹ in lacs)	As At 31 March, 2012 (₹ in lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	7,273.59	7,273.59
Reserves and Surplus	5	159,590.11	160,899.04
		166,863.70	168,172.63
Minority Interest			
Share Application Money pending allotment (Refer footnote d)	4	1,605.10	22.35
		595.97	473.30
Non Current Liabilities			
Long-term Borrowings	6	85,783.86	38,884.37
Long-term Trade Payables	7	3,725.86	2,067.74
Other Long-term Liabilities	8	2,739.73	618.73
Long-term Provisions	9	10.08	20.23
		92,259.53	41,591.07
Current Liabilities			
Short-term Borrowings	10	41,376.56	58,648.99
Trade Payables	11	17,091.87	13,262.06
Other Current Liabilities	12	146,287.22	159,810.78
Short-term Provisions	9	1,066.66	1,415.83
		205,822.31	233,137.66
TOTAL		467,146.61	443,397.01
ASSETS			
Non Current Assets			
Fixed Assets :	13		
Tangible Assets		9,165.63	10,287.21
Intangible Assets:			
- Goodwill on Consolidation		10,734.09	16,972.19
- Other Intangible Assets		270.95	325.15
Capital Work-in-Progress		1,178.56	1,232.78
Non Current Investments	14	30,299.38	24,796.24
Deferred Tax Asset (Net)	15	1,156.22	889.36
Long-terms Loans and Advances	16	30,741.09	41,640.71
Other Non Current Assets	17	18,637.53	11,308.39
		102,183.45	107,452.03
Current Assets			
Current Investments	18	2,720.09	425.99
Inventories	19	189,887.69	146,552.32
Trade Receivables	20	17,201.09	34,333.42
Cash and Bank Balances	21	14,434.15	9,455.35
Short-term Loans and Advances	16	111,732.02	126,914.32
Other Current Assets	17	28,988.12	18,263.58
		364,963.16	335,944.98
TOTAL		467,146.61	443,397.01

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

As per our report of even date

For and on behalf of the Board of Directors

For **DOSHI DOSHI & ASSOCIATES**
Chartered Accountants

For **HARIBHAKTI & CO.**
Chartered Accountants

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2013

Mumbai
Date: 29th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	31 March, 2013 Year Ended (₹ in lacs)	31 March, 2012 Year Ended (₹ in lacs)
INCOME			
Revenue from Operations	22	39,178.55	43,490.72
Other Income	23	17,461.54	15,558.21
TOTAL		56,640.09	59,048.93
EXPENSES			
Costs of Construction / Development	24	27,523.97	33,996.78
Changes in Inventories of Work-in-progress, Finished Properties and FSI	25	(22,278.75)	(27,907.44)
Employee Benefits Expense	26	1,836.98	2,859.73
Finance Costs	27	41,886.56	33,503.09
Depreciation and Amortisation on Fixed Assets and Investment Properties	28	1,069.79	1,405.90
Other Expenses	29	7,132.48	12,931.70
Amortisation / Adjustment of Goodwill		(31.08)	772.57
TOTAL		57,139.95	57,562.33
Profit / (Loss) before Extraordinary Items and Tax		(499.86)	1,486.60
Extraordinary Items	30	—	353.20
Profit / (Loss) before Tax		(499.86)	1,133.40
Tax Expense :			
Current Tax		(10.35)	(492.57)
Reversal of excess provision for Taxation in respect of earlier years		(14.82)	1,713.58
Deferred Tax (Charge) / Credit		266.86	341.22
Profit / (Loss) after tax but before Adjustments		(258.17)	2,695.63
Prior Period Adjustments (Net)	31	(258.83)	(596.39)
Share of Profit /(Loss) from Associate Companies		349.78	259.49
Minority Interest		3.62	11.32
Pre-Acquisition Gain/(Loss)		—	(0.09)
Loss / (Gain) on Cessation / Sale / Conversion of Shares in Subsidiaries / Joint Ventures		(49.09)	—
Profit / (Loss) for the year		(212.69)	2,369.96
Earning per Equity Share of Nominal Value of ₹ 10/- each)	32		
Earnings before Extraordinary Item :			
Basic and Diluted		(0.29)	3.74
Earnings after Extraordinary Item :			
Basic and Diluted		(0.29)	3.26

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

As per our report of even date

For and on behalf of the Board of Directors

For **DOSHI DOSHI & ASSOCIATES**
Chartered Accountants

For **HARIBHAKTI & CO.**
Chartered Accountants

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2013

Mumbai
Date: 29th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)
I. CASH FLOWS ARISING FROM OPERATING ACTIVITIES		
Net profit before taxation, and extraordinary item as per statement of profit and loss	(499.86)	1,905.97
Add / (Less) :		
Finance costs	41,295.74	34,875.92
Amortisation / adjustment of goodwill	(31.08)	—
Pre-acquisition profit / (loss)	—	(0.09)
Depreciation and amortisation	1,069.79	1,405.90
Provision for doubtful advances and bad debts	28.81	7.53
Provision for diminution in value of investments	0.97	—
Amortisation of expenditure incurred in joint venture projects	421.19	2,256.36
Project expenses written off / amortised	—	3,031.18
Prior period adjustments (Net)	(258.83)	(604.07)
Advances and other debit balances written off	47.55	—
(Profit) / Loss on sale of fixed assets (Net)	—	37.11
Profit on sale of investments	(41.86)	(7.68)
Provisions no longer required	(199.42)	(228.53)
Dividend from current and Non current investments	(5.42)	(1.07)
Impact of account of acquisitions / disposals	33.98	19.49
Interest income	(16,359.11)	(14,475.22)
	26,002.31	26,316.83
Operating profit before working capital changes	25,502.45	28,222.80
Add / (Less) :		
(Increase) / Decrease in inventories	(22,948.15)	(33,042.58)
(Increase) / Decrease in trade and other receivables	2,887.79	(7,546.71)
Increase / (Decrease) in trade and other payables	21,763.07	26,275.10
Direct taxes paid	(1,243.04)	(3,469.73)
	459.67	(17,783.92)
Net cash flow from operating activities	25,962.12	10,438.88
II. CASH FLOWS ARISING FROM INVESTING ACTIVITIES		
Inflow / (Outflow) on account of :		
Dividend from current investments	5.42	1.07
Interest income received	15,993.29	14,528.53
Decrease in loans and advances, including land, etc.	21,861.04	—
Purchase of fixed assets	(694.57)	(347.01)
Acquisition / (Disposals) of interest in Joint Ventures (net)	(4,708.86)	(3,077.98)
Long term / Current investments (Net)	(7,964.20)	10,328.20
Net cash flow from investing activities	24,492.12	21,432.81
III. CASH FLOWS ARISING FROM FINANCING ACTIVITIES		
Inflow / (Outflow) on account of :		
Increase / (Decrease) in long term and short term borrowings	(2,436.22)	4,463.21
Finance Cost paid	(41,711.17)	(32,205.40)
Dividend and Dividend Tax Paid	(845.36)	(2,121.53)
Net cash flow from financing activities	(44,992.75)	(29,863.72)
Net increase in cash and cash equivalents (I + II + III)	5,461.49	2,007.97
Add: Balance at the beginning of the year	6,441.10	4,643.14
Add/(Less): Impact on cash and cash equivalents on account of Acquisition and Dilution	748.23	(210.01)
Cash and cash equivalents at the end of the year	12,650.82	6,441.10
Components of cash and cash equivalents (refer note 21)		
Cash and cash equivalents:		
Cash on hand	48.27	37.96
Balances with banks		
- in current accounts	10,115.41	2,124.16
- in deposits with maturity of less than three months	1,327.38	1,415.65
Share in Joint Ventures	1,159.76	2,863.33
	12,650.82	6,441.10

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**
Chartered Accountants

For **HARIBHAKTI & CO.**
Chartered Accountants

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

DINESH DOSHI
PARTNER

CHETAN DESAI
PARTNER

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2013

Mumbai
Date: 29th May, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE 'I'

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 31st March 2013	Percentage of Voting Power as at 31st March 2012
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	90.00%	90.00%
Gujarat Akruiti - TCG Biotech Limited	India	74.00%	74.00%
Merrygold Buildcon Private Limited	India	100.00%	100.00%
Pushpak Healthcare Services Private Limited (upto 2nd June 2012)	India	80.00%	80.00%
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	95.00%	95.00%
Heet Builders Private Limited	India	88.10%	88.10%
Vama Housing Limited	India	100.00%	100.00%
Vega Developers Private Limited	India	100.00%	100.00%
Vishal Nirman (India) Limited	India	51.02%	51.02%
Vishal Techno Commerce Limited	India	100.00%	100.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '1' (Contd.)

Name of the Subsidiaries	Country of Incorporation	Percentage of Voting Power as at 31st March 2013	Percentage of Voting Power as at 31st March 2012
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 (Associate in previous year)	India	77.71%	49.60%

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

Name of the Associates	Country of Incorporation	Percentage of Voting Power as at 31st March 2013	Percentage of Voting Power as at 31st March 2012
Whitebud Developers Limited	India	50.00%	50.00%
Forefront Realty Private Limited (w.e.f 1st June 2012)	India	26.00%	—
Glamorous Properties Private Limited (w.e.f. 25th May 2012)	India	25.00%	—
Holiac Realty Private Limited (Subsidiary in previous year)	India	48.00%	60.00%
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%
Trans Gulf MEP Engineers Private Limited (upto 1st October 2012)	India	30.00%	30.00%
<u>Jointly Controlled Entities :</u>			
Hubtown Bus Terminal (Adajan) Private Limited (Formerly known as Ackruti City Bus Terminal (Adajan) Private Limited)	India	50.00%	50.00%
Hubtown Bus Terminal (Mehsana) Private Limited (Formerly known as Ackruti City Bus Terminal (Mehsana) Private Limited)	India	50.00%	50.00%
Hubtown Bus Terminal (Vadodara) Private Limited (Formerly known as Ackruti City Bus Terminal (Vadodara) Private Limited)	India	50.00%	50.00%
Hubtown Bus Terminal (Ahmedabad) Private Limited (Formerly known as Ackruti City Bus Terminal (Ahmedabad) Private Limited)	India	50.00%	50.00%
Hubtown Bus Terminal (Surat) Private Limited (*) (Formerly known as Ackruti City Bus Terminal (Surat) Private Limited)	India	50.00%	50.00%
Sunstream City Private Limited (Associate in previous year)	India	43.00%	43.00%
Aarti Projects & Constructions (upto 30th June 2012)	India	27.25%	27.25%
Primeria JV	India	26.00%	75.00%
Akruti GM JV	India	77.00%	77.00%
Akruti Jay Chandan JV	India	50.00%	50.00%
Akruti Jay Developers	India	66.66%	66.66%
Akruti Kailash Constructions	India	90.00%	90.00%
Akruti Realty Forefront Combine	India	90.00%	90.00%
Akruti Steelfab Corporation	India	55.00%	55.00%
Hiranandani Akruti JV	India	50.00%	50.00%

* Interest through jointly controlled entity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '1' (Contd.)

Name of the Associates	Country of Incorporation	Percentage of Voting Power as at 31st March 2013	Percentage of Voting Power as at 31st March 2012
Shreenath Realtors	India	46.25%	46.25%
Sole Builders	India	50.00%	50.00%
Akruti SMC JV (#)	India	50.00%	50.00%
Hoary Realty limited	India	39.51%	32.14%
Gandhi Adhivitiya Combine (#)	India	45.00%	45.00%
Rare Townships Private Limited	India	40.00%	40.00%
Joyous Housing Limited	India	25.00%	25.00%
Akruti City Magnum Limited (upto 22nd May 2012)	India	33.00%	33.00%
Panama JV (#)	India	87.60%	87.60%
Gulati Estate JV	India	75.00%	75.00%

(#) Interests 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 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

- 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.
- 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;
 - 25% of the total estimated construction and development costs of the project; and
 - 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, 2013

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 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.

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.
- 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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '3' (Contd.)

- C. Depreciation is provided on the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. 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 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. Expenditure incurred on joint venture projects

'Expenditure on Joint Venture Projects' incurred by the Company which as per the contractual arrangement cannot be transferred to joint venture entities, have been written off to the statement of profit and loss. Upto the previous financial year, based on a legal opinion, the Company considered these expenses as part of inventories. Considering the uncertain period involved in delivery of projects and also due to periodical change in budget estimate and profitability of the projects, the Company has decided to write off such amounts. As a result of such change in accounting policy, the profit (before tax) for the year ended March 31, 2013 is lower by ₹ 7,945.35 lacs (Current year expenditure ₹ 3,095.67 lacs and accumulated expenditure upto last year ₹ 4,849.68 lacs).

VIII. 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".

IX. 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, 2013

NOTE '3' (Contd.)

X. 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 to the statement of profit and loss during the relevant period.

XI. 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.

XII. 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.

XIII. 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. Reference is invited to Note 39.

XIV. Impairment of assets

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

XV. Provisions, contingent liabilities and contingent assets

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

XVI. Taxation

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable for the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are 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 reassess realization.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '3' (Contd.)

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.

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

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
12,500.00	12,500.00
12,500.00	12,500.00
7,273.59	7,273.59
7,273.59	7,273.59

Footnotes:

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

Number of shares at the beginning

Add/(Less) :

Issued during the year

Buyback during the year

Conversion during the year

At the end of the year (Nos.)

Total

31 March, 2013 (Nos.)	31 March, 2012 (Nos.)
72,735,871	72,735,871
—	—
—	—
—	—
72,735,871	72,735,871

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

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, 2013		31 March, 2012	
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%
647,349	0.89%	647,349	0.89%
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%
26,488,522	36.41%	26,488,522	36.41%
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.

d. The terms and conditions of the issue of the shares are pending for finalization between the joint venture partners, and thereby the execution of Shareholding Agreement has been kept in abeyance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '5'

RESERVES AND SURPLUS

Securities premium account

Balance as per last financial statements

Add / (Less) :

Amount received during the year

Adjustment made during the year

Amount on account of entities acquired during the year

Debenture redemption reserve (Refer footnote a)

Balance as per last financial statements

Add / (Less) :

Amount transferred from surplus balance in the statement of profit and loss

Amount transferred to general reserve

General reserve

Balance as per last financial statements

Add / (Less) :

Amount transferred from debenture redemption reserve

Amount transferred from surplus balance in the statement of profit and loss

Capital reserve

Balance as per last financial statements

Add / (Less) :

Amount adjusted on dilution of subsidiaries

Amount on consolidation of subsidiaries

Surplus in statement of profit and loss

Balance as per last financial statements

Profit for the year (including share in joint ventures)

Less: Appropriations:

Proposed equity dividend (Refer footnote b)

Tax on proposed equity dividend

Transfer to debenture redemption reserve

Transfer to general reserve

Total appropriations

Net surplus in the statement of profit and loss

Total

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
66,122.67	60,795.92
—	—
(5,408.78)	—
—	5,326.75
60,713.89	66,122.67
11,925.00	7,475.00
—	4,450.00
(790.00)	—
11,135.00	11,925.00
19,521.21	19,521.21
790.00	—
—	—
20,311.21	19,521.21
644.59	113.50
—	(0.41)
5,157.90	531.50
5,802.49	644.59
62,685.57	65,610.97
(212.69)	2,369.96
727.36	727.36
118.00	118.00
—	4,450.00
—	—
845.36	5,295.36
61,627.52	62,685.57
159,590.11	160,899.04

Footnotes:

- During the year, the Company transferred an amount of ₹ Nil (P.Y. ₹ 3,000.00 lacs) to debenture redemption reserve in accordance with the provisions of Section 117C of the Companies Act, 1956.
- 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 ₹ 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, 2013

	Non Current Portions		Current Maturities	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '6'				
LONG-TERM BORROWINGS				
Debentures (Secured):				
2,000 (P.Y. Nil) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote a)	2,000.00	—	—	—
7,999 (P.Y. 7500) Redeemable non-convertible debentures of the face value of ₹ 100,000 each (Refer footnote b)	2,904.19	6,300.00	3,872.25	1,200.00
2,500 (P.Y.Nil) Redeemable, non-convertible debentures of the face value of ₹ 1,00,000 each (Refer footnote c)	—	—	2,500.00	—
Current Year: Nil (P.Y. 10,000) Redeemable non-convertible debentures of the face value of ₹ 100,000 each	—	—	—	10,000.00
1,000 (P.Y. 1,000) Redeemable, non-convertible debentures of the face value of ₹ 1,000,000 each (Refer footnote d)	—	—	4,712.29	7,000.00
Term loans (Secured):				
From banks (Refer footnote e)	60,827.69	25,374.76	23,957.71	50,380.79
From financial institutions (Refer footnote f)	1,950.00	1,650.00	9,350.00	14,342.19
Deposits (Unsecured): (Refer footnote g)				
From related parties	999.86	2,015.76	74.50	—
From public	119.03	253.40	98.90	49.43
Other loans and advances:				
Loan from others (Secured) (Refer footnote h)	6,582.16	61.32	77.15	2,075.78
Loan from others (Unsecured) (Refer footnote i)	—	191.57	384.74	2,073.40
	75,382.93	35,846.81	45,027.54	87,121.59
Share in Joint Ventures	10,400.93	3,037.56	395.64	364.87
Amount disclosed under "Other Current Liabilities" (Refer note '12')	—	—	(45,423.18)	(87,486.46)
Total	85,783.86	38,884.37	—	—

Footnotes:

- 15% Secured Debentures having a term of 84 months from issue date, will be converted into Class "B" Shares in whole or in part 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.
- 4,499, 18.50% Debentures and 3,000, 25.17% Debentures having redeemable balance of ₹ 84,000 each and 500, 18.50% Debentures having redeemable balance of ₹ 95,455 each are to be redeemed in twenty two equal monthly installments. 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.
- 21% Debentures of ₹ 2,500.00 lacs are redeemable in five equal monthly installments commencing from April 2013. These debentures are secured by mortgage on the immovable properties located at Balewadi, Pune.
- 17% Debentures of ₹ 4,712.29 lacs are 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '6' (contd.)

e. Secured term loans from banks carry interest rates within a range of 12.50% to 18 %. 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 on projects located in Andheri (East) and Bandra (East), Mumbai. 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 and Telekar Road, Pune. 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 project at Andheri (East), Mumbai. ii. First charge by way of escrow of receivables from above projects. 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 at 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 financial institutions carry interest rate within a range of 16 % to 18 %. These loans are secured against pledge of equity shares in the Company held by the promoters and their family members and personal guarantees of one or more promoters. Some of the loans are secured against premises in the project located at Andheri (East), Mumbai and equitable mortgage of land located at Uran, Raigad.
- g. Unsecured long term public deposits carry interest rates within a range of 10.50% to 11.00%. The same will become repayable between a period of 1-3 years.
- h. Secured loans from others include; (i) Vehicle loans of ₹ 109.31 lacs, which carry interest rates within a range of 10% to 12% and will be repaid between December, 2013 to January, 2016; and (ii) Loan of ₹ 6,550.00 lacs which is secured by personal guarantee of promoters of Hubtown Limited. This loan is further secured by 60 flats (including 2 car parks per flat) as per terms of Memorandum of Understanding.
- i. Unsecured loans from others carry interest rate of 19.5% and will become due in three equal monthly installments including interest from the balance sheet date.

NOTE '7'

LONG TERM TRADE PAYABLES

Trade payables

Share in Joint Ventures

Total

31 March, 2013
(₹ in lacs)

31 March, 2012
(₹ in lacs)

1,374.85

1,948.12

2,351.01

119.62

3,725.86

2,067.74

NOTE '8'

OTHER LONG TERM LIABILITIES

Advance against land procurement

Advances from customers

Deposits from customers

Share in Joint Ventures

Total

31 March, 2013
(₹ in lacs)

31 March, 2012
(₹ in lacs)

1,390.45

—

767.24

10.00

416.93

193.23

2,574.62

203.23

165.11

415.50

2,739.73

618.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Non Current		Current	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '9'				
PROVISIONS				
Provisions for employee benefits				
Provision for gratuity	—	2.37	26.65	81.50
Provision for leave benefits	4.99	—	62.05	59.40
Other provisions				
Provision for Income tax	—	14.81	70.01	271.01
Provision for Wealth tax	—	—	7.78	10.34
Proposed equity dividend	—	—	727.36	727.36
Provision for tax on equity dividend	—	—	118.00	118.00
	4.99	17.18	1,011.85	1,267.61
Share in Joint Ventures	5.09	3.05	54.81	148.22
Total	10.08	20.23	1,066.66	1,415.83

NOTE '10'

SHORT TERM BORROWINGS

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

Loans repayable on demand:

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

Deposits (Unsecured)

- Companies (ICDs)
- from public (Refer footnote d)

Loan from related party (Refer footnote e)

Share in Joint Ventures

Total

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
1,630.71	12,391.18
5,200.00	—
17,109.12	17,471.17
7,561.37	10,426.07
—	13.50
228.00	302.00
60.66	602.44
31,789.86	41,206.36
9,586.70	17,442.63
41,376.56	58,648.99

Footnotes:

- a. Working capital loans from banks carry interest rates within a range of 13% to 13.5 % and are secured against the following :

Name of lenders	Security Offered
1. Canara Bank	Mortgage of unit no. 301 on 3rd floor in the premises at MIDC Andheri (East), Mumbai and further secured by personal guarantee of one or more promoters.
2. Union Bank of India	Secured against fixed deposits with banks.
b. Secured loans from companies	carry interest rate of 20% to 24% and is repayable on demand. These loans are secured against pledge of equity shares in the Company, held by the promoters and their family members.
c. Unsecured loans from companies and others	carry interest rates within a range of 12% to 36% and are repayable on demand.
d. Unsecured short term public deposits	carry an interest rate of 10%. The same will become due as per the respective maturity dates.
e. Unsecured loan taken from related party	carry interest rate of upto 19.1% and are repayable on demand.

NOTE '11'

TRADE PAYABLES

Trade payables

Share in Joint Ventures

Total

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
11,080.98	11,304.47
6,010.89	1,957.59
17,091.87	13,262.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '12'		
OTHER CURRENT LIABILITIES		
Other current liabilities		
Current maturities of long-term debts (Refer note 6)	45,027.54	87,121.59
Interest accrued and due on borrowings	2,287.45	1,785.28
Interest accrued but not due on borrowings	1,587.00	1,931.03
Overdrawn bank balances as per books of account	256.42	604.31
Unpaid Matured Debentures and Interest accrued thereon (Refer footnote)	14,356.95	—
Advances from customers	46,502.92	28,737.48
Advances received against share application money	—	248.65
Investor Education and Protection Fund will be credited by the following amounts (as and when due):		
- Unclaimed/unpaid dividends	4.40	3.93
Other payables :		
- Statutory dues	4,481.73	2,959.46
- Current Account	0.01	—
- Employees benefits payables	16.89	518.30
- On account of Equity Shares with differential voting rights and Preference Shares of jointly controlled entities	13,769.26	9,335.50
- Others miscellaneous	10,169.69	5,868.49
	138,460.26	139,114.02
Share in Joint Ventures	7,826.96	20,696.76
Total	146,287.22	159,810.78

Footnote:

Period and amount of default as on the balance sheet date in respect of matured debentures and interest accrued thereon:

	31 March, 2013 (₹ in lacs)	Period	31 March, 2012 (₹ in lacs)	Period
Overdue Installments :				
10,000 Redeemable non-convertible debentures of the face value of ₹ 100,000 each *	10,000.00	March 2013	Nil	NA
Interest and Premium :				
10,000 Redeemable non-convertible debentures of the face value of ₹ 100,000 each	4,356.95	March 2013	Nil	NA
	14,356.95		Nil	

* 12% Debentures of ₹ 10,000.00 lacs are secured by second ranking mortgage over project land and structures thereon at J.P. Road, Andheri (West), Mumbai, as well as receivables and advances arising from such project and further secured by exclusive charge over land situated at village Mogra, Andheri (East), Mumbai.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '13'

FIXED ASSETS

(₹ in lacs)

SR. NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 31 March, 2012	Additions / Adjustments during the year	Deductions / Adjustments	As at 31 March, 2013	As at 31 March, 2012	Provided during the year	Deductions / Adjustments	As at 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
A	Tangible Assets										
	Freehold land	3,041.20	103.05	560.37	2,583.88	46.96	31.81	(10.78)	89.55	2,494.33	2,994.24
	Leasehold land	2.92	—	—	2.92	—	—	—	—	2.92	2.92
	Commercial premises (Refer footnote a)	1,899.03	186.35	591.12	1,494.26	127.61	91.20	—	218.81	1,275.45	1,771.42
	Mivan system	419.67	—	—	419.67	291.17	68.14	—	359.31	60.36	128.50
	Computers & laptops (Refer footnote b)	41.94	3.59	1.60	43.93	31.29	4.53	0.14	35.68	8.25	10.65
	Furniture & fixtures (Refer footnote c)	551.92	41.14	4.35	588.71	203.57	66.46	(4.14)	274.17	314.54	348.35
	Plant & machinery	863.61	72.20	0.77	935.04	416.64	118.47	0.63	534.48	400.56	446.97
	Vehicles (Refer footnote d)	18.62	111.09	—	129.71	9.37	12.35	(0.05)	21.77	107.94	9.25
	Office equipment (Refer footnote e)	118.27	24.06	3.50	138.83	26.37	14.33	(1.97)	42.67	96.16	91.90
		6,957.18	541.48	1,161.71	6,336.95	1,152.98	407.29	(16.17)	1,576.44	4,760.51	5,804.20
	Share in Joint Ventures	—	—	—	—	—	—	—	—	4,405.12	4,390.74
	A	6,957.18	541.48	1,161.71	6,336.95	1,152.98	407.29	(16.17)	1,576.44	9,165.63	10,194.94
B	Intangible Assets										
	Computer software	520.32	16.45	—	536.77	261.60	95.21	—	356.81	179.96	258.72
	Technical know-how	74.55	—	—	74.55	22.34	3.64	—	25.98	48.57	52.21
		594.87	16.45	—	611.32	283.94	98.85	—	382.79	228.53	310.93
	Share in Joint Ventures	—	—	—	—	—	9.45	—	—	42.42	14.22
	B	594.87	16.45	—	611.32	283.94	108.30	—	382.79	270.95	325.15
C	Capital Work in Progress	1,228.53	140.85	203.07	1,166.31					1,166.31	1,228.53
	Share in Joint Ventures	4.25	8.00	—	12.25					12.25	4.25
	C	1,232.78	148.85	203.07	1,178.56					1,178.56	1,232.78
	GRAND TOTAL (A+B+C)	8,784.83	706.78	1,364.78	8,126.83	1,436.92	515.59	(16.17)	1,959.23	10,615.14	11,752.87

Footnotes:

- Commercial premises includes cost of shares aggregating ₹ 0.04 lacs (P.Y. ₹ 0.04 lacs) carrying the occupancy rights in the commercial premises.
- Computers include ₹ 1.34 Lacs (P.Y. ₹ 41.12 lacs) on account of acquisition / consolidation of new subsidiaries.
- Furniture & Fixtures include ₹ 8.65 Lacs (P.Y. ₹ 179.78 lacs) on account of acquisition / consolidation of new subsidiaries.
- Vehicles include ₹ Nil (P.Y. ₹ 36.45 lacs) on account of acquisition / consolidation of new subsidiaries.
- Office Equipment include ₹ 8.22 Lacs (P.Y. ₹ 28.96 lacs) on account of acquisition / consolidation of new subsidiaries.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ 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)	5,334.43	4,654.72
Less: Accumulated depreciation / amortisation	645.96	435.02
	4,688.47	4,219.70
Share in Joint Ventures	1,343.06	1,463.90
Sub-total	6,031.53	5,683.60
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)	881.26	540.78
Share of Current Profit / (Loss)	365.27	340.48
	1,247.33	882.06
b) 312,500 Equity Shares of ₹ 10/- each (P.Y. Nil)		
Glamorous Properties Private Limited	100.00	300.00
Share of Accumulated Reserves / Profit / (Loss)	—	(2.15)
Share of Current Profit / (Loss)	2.24	(1.48)
Transfer on dilution of holding	—	(296.37)
	102.24	—
c) Current Year: Jointly Controlled Entity (P.Y. 129,000 Equity Shares of ₹ 10/- each)		
Sunstream City Private Limited	—	12.90
Share of Accumulated Reserves / Profit / (Loss)	—	(1.17)
Share of Current Profit / (Loss) (Includes Goodwill ₹ 1.48 lacs)	—	(11.73)
	—	—
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)	64.44
Share of Current Profit / (Loss)	—	(64.94)
	—	—
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)	1.78	1.31
Share of Current Profit / (Loss)	1.86	0.47
	4.08	2.22
c/f	1,354.15	884.78

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '14' (contd.)

		31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	b/f	1,354.15	884.78
h)	6,095 Equity Shares of ₹ 10 /- each (P.Y. 6,095)		
	Vinca Developer Private Limited	0.61	0.61
	Share of Accumulated Reserves / Profit / (Loss)	(0.61)	(0.61)
	Share of Current Profit / (Loss)	—	—
	(Includes Goodwill ₹ 159.92 lacs)	—	—
i)	275,000 Equity Shares of ₹ 10 /- each (P.Y. 275,000)		
	Comral Realty Private Limited	27.71	27.71
	Share of Accumulated Reserves / Profit / (Loss)	(3.54)	(2.77)
	Share of Current Profit / (Loss)	(5.25)	(0.78)
		18.92	24.16
j)	2,600 Equity shares of ₹ 10 /- each (P.Y. Nil)		
	Forefront Realty Private Limited	0.26	—
	Share of Accumulated Reserves / Profit / (Loss)	—	—
	Share of Current Profit / (Loss)	—	—
		0.26	—
k)	Current Year: Subsidiary (P.Y. 9,799,584 (Class 'A') Equity Shares of ₹ 10 /- each)		
	Joyneest Premises Private Limited	—	1,076.46
	Share of Accumulated Reserves/Profit/(Loss)	—	(5.05)
	Share of Current Profit / (Loss)	—	(2.38)
	(Includes Goodwill ₹ 98.01 lacs)	—	1,069.03
l)	24,000 Equity shares of ₹ 10/- each (P.Y. Subsidiary)		
	Holiac Realty Private Limited	2.40	—
	Share of Accumulated Reserves/Profit/(Loss)	—	—
	Share of Current Profit/(Loss)	(2.40)	—
		—	—
m)	Current Year: Nil (P.Y. 3,000 Equity shares of ₹ 10/- each)		
	Trans Gulf MEP Engineers Private Limited	—	0.30
	Share of Current Profit/(Loss)	—	(0.04)
		—	0.26
		1,373.33	1,978.23
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
	c/f	70.27	70.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '14' (contd.)

		31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	b/f	70.27	70.27
g) 2 Equity Shares of ₹ 10/- each (P.Y 4) Hoary Realty Limited		1.12	1.12
h) 7,353 Class 'B' Equity Shares of ₹ 10 each (P.Y. 7,353) Giraffe Developers Private Limited (Refer footnote b)		5,004.79	5,000.04
i) Nil Class 'B' Equity Shares of ₹ 10 each (P.Y. 79061) Joynest Premises Private Limited		—	11.79
j) 2,000 Equity Shares of ₹ 10/- each (P.Y. 2,000) Suraksha Realty Limited		0.20	0.20
k) Nil Equity Shares of ₹ 10/- each (P.Y. 49,900) Mahanagar Co-op Bank Limited		—	4.99
l) 1 Equity Share of ₹ 100,000/- each (P.Y Nil) E Commerce Magnum Solutions Limited		1.00	—
		5,077.38	5,088.41
C) Investment in Preference Shares (At Cost)			
a) 6,671, 21% Cumulative Convertible Preference Shares of ₹ 100,000/- each (P.Y. Nil) E Commerce Magnum Solutions Limited		6,671.00	—
		6,671.00	—
D) Investment in Debentures (At Cost)			
a) Nil Optionally convertible debentures of ₹ 1,000/- each (P.Y. 135,000) Pivotal Infrastructure Private Limited		—	1,350.00
b) 31,910,000 18% Optionally convertible debentures of ₹ 10/- each (P.Y. 31,910,000) Asmeeta Infratech Limited		3,191.00	3,191.00
c) 150,000 Optionally convertible debentures of ₹ 5,000/- each (P.Y.250,000) Giraffe Developers Private Limited (Refer footnote c)		7,500.00	7,500.00
		10,691.00	12,041.00
E) Investment in Mutual Funds (At cost) (Other than Trade)			
Growth Option:			
a. 399,056 units of ₹ 9.7837 of Canara Robeco Gold Saving Fund (NAV ₹ 9.7837 Per unit (P.Y. Nil))		39.04	—
b. 15,419.36 units of ₹ 12.8927 of Canara Robeco Indigo Fund (NAV ₹ 12.8927 Per unit (P.Y. Nil))		1.99	—
F) Investment in Bonds			
Cholamadalam Investments and Finance Co. Limited 71, 12.90% Bonds of ₹ 5,00,000/- each (P.Y. Nil)		355.00	—
G) Capital Investment in Non Controlling Joint Venture		5.00	5.00
H) Current Investment in Non Controlling Joint Venture		49.61	—
	(B+C+D+E+F+G+H)	24,263.35	19,112.64
Share in Joint Ventures		4.50	—
	Sub-Total	24,267.85	19,112.64
	Total	30,299.38	24,796.24
Aggregate amount of quoted investments		41.03	-
Aggregate amount of unquoted investments		30,258.35	24,796.24

Footnotes:

- Investment property with a carrying value of ₹ 83.18 lacs (P.Y ₹ 87.53 lacs) are subject to first charge against the Company's working capital loans.
- Includes ₹ 4.75 lacs on accounts of registration charges during the year.
- The face value of investment in debentures of ₹ 7,500.00 lacs (P.Y. ₹ 7,500.00 lacs) represents the balance value of consideration of sale of development rights in earlier years receivable in future. The management is of the view that as the consideration was inclusive of profit and interest, no coupon was charged on such debentures.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
(48.42)	(6.11)
—	—
(48.42)	(6.11)
233.80	264.20
495.39	171.08
475.45	460.19
1,204.64	895.47
—	—
1,156.22	889.36

Non Current

Current

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

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

- to related parties

- to others

Doubtful

Less: Provision for doubtful advances

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
11,606.56	15,469.39	8,692.13	11,692.39
602.00	641.03	—	—
(602.00)	(641.03)	—	—
11,606.56	15,469.39	8,692.13	11,692.39
1,040.81	1,108.32	3.47	5.08
—	—	54,020.60	72,285.31
—	600.00	3,659.15	18,609.60
—	—	170.76	135.76
—	—	(170.76)	(135.76)
—	600.00	57,679.75	90,894.91
1,666.92	5,215.99	1,296.62	1,094.99
9,935.38	397.44	18,802.71	6,244.79
689.93	641.58	—	—
(689.93)	(641.58)	—	—
11,602.30	5,613.43	20,099.33	7,339.78

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '16' (contd.)

	Non Current		Current	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
Other loans and advances:				
Advances towards share application / purchase of shares in entities for interest in projects and others				
- to related parties	660.45	662.95	1,500.00	959.83
- to others	908.01	842.65	4,254.52	7,051.34
Advance income tax	4,466.70	5,744.57	—	—
Loans to employees	—	—	2.47	2.51
Balances with statutory / government authorities	—	—	—	0.01
	<u>6,035.16</u>	<u>7,250.17</u>	<u>5,756.99</u>	<u>8,013.69</u>
	<u>30,284.83</u>	<u>30,041.31</u>	<u>92,231.67</u>	<u>117,945.85</u>
Share in Joint Ventures	456.26	11,599.40	19,500.35	8,968.47
Total	<u><u>30,741.09</u></u>	<u><u>41,640.71</u></u>	<u><u>111,732.02</u></u>	<u><u>126,914.32</u></u>

	Non Current		Current	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '17'				
OTHER ASSETS				
Non current bank balances (Note 21)	1,077.69	1,848.69		
Unbilled revenue	—	—	22,876.34	15,690.85
Prepaid expenses	68.62	—	756.43	325.95
Unamortised ancillary cost of arranging the borrowings	1,271.34	741.88	1,141.73	1,096.90
Other receivables (Other than trade)	6,000.00	7,000.00	2,826.67	568.60
Others :				
- Interest accrued on fixed deposits	333.90	51.88	197.51	92.95
- Interest accrued on investments	—	—	129.42	83.18
	<u>8,751.55</u>	<u>9,642.45</u>	<u>27,928.10</u>	<u>17,858.43</u>
Share in Joint Ventures	9,885.98	1,665.94	1,060.02	405.15
Total	<u><u>18,637.53</u></u>	<u><u>11,308.39</u></u>	<u><u>28,988.12</u></u>	<u><u>18,263.58</u></u>

NOTE '18'

CURRENT INVESTMENTS (Unquoted) (Trade, unless otherwise specified)

Expenditure incurred on joint venture projects

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

State Bank of India Fund 19.1932 Units (P.Y. 17.9948) of ₹ 1675.03 each

UTI Treasury Advantage Fund

22,436.566 Units (P.Y. Nil) of ₹ 1,584.04/- each [NAV ₹ 1584.04 (P.Y. Nil) Per unit]

Share in Joint Ventures

Total

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
—	421.19
0.32	0.30
<u>355.41</u>	
<u>355.73</u>	<u>421.49</u>
<u>2,364.36</u>	<u>4.50</u>
<u><u>2,720.09</u></u>	<u><u>425.99</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '19'

INVENTORIES

(Valued at lower of cost and net realisable value)

Stock at site
Floor space index (FSI)
Incomplete projects [(Refer note 3(vii))]

Share in Joint Ventures

Total

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
625.53	159.65
1,088.68	675.98
108,031.25	98,327.50
109,745.46	99,163.13
80,142.23	47,389.19
189,887.69	146,552.32

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) (Refer footnote)

Outstanding for a period exceeding six months
Other receivables

Share in Joint Ventures

Total

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
4,525.34	3,361.39
5,135.84	11,331.10
9,661.18	14,692.49
7,539.91	19,640.93
17,201.09	34,333.42

Footnote:

Trade receivables include current year ₹ Nil (P.Y. ₹ 1,864.53 lacs) due from a customer who had during an earlier year requested the Company to extend the credit period originally granted in the sale agreement.

	Non Current		Current	
	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
NOTE '21'				
CASH AND BANK BALANCES				
Cash and Cash Equivalents:				
Cash on hand			48.27	37.96
Balances with banks:				
in Current accounts			10,115.41	2,124.16
deposits with maturity of less than three months			1,327.38	1,415.65
			11,491.06	3,577.77
Share in Joint Ventures			1,159.76	2,863.33
			12,650.82	6,441.10
Other Bank Balances:				
in unpaid dividend accounts			5.04	4.57
Deposits with maturity of more than three months but less than twelve months (Refer footnote)	683.21	—	70.00	217.33
Deposits with maturity of more than twelve months (Refer footnote)	4.19	0.12	—	—
Margin money deposits (Refer footnote)	390.29	1,848.57	878.05	659.03
	1,077.69	1,848.69	953.09	880.93
Share in Joint Ventures	15.12	1,621.93	830.24	2,133.32
	1,092.81	3,470.62	1,783.33	3,014.25
Amount Disclosed under "Other Non-Current Assets" (Note 17)	(1,092.81)	(3,470.62)	—	—
Total	—	—	14,434.15	9,455.35

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '22'

REVENUE FROM OPERATIONS

Operating Revenue:

Sale of Properties / Rights in Projects (Net)

Project Management Services

Share of Profit from Non-Controlling Joint Venture

Other Operating Revenue:

Miscellaneous Income (Royalty)

Sale of Materials

Lease Rentals

Share in Joint Ventures

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	30,792.62	28,507.59
	17.44	2,213.32
	—	1.43
	30,810.06	30,722.34
	7.64	—
	41.32	1,958.45
	1,453.91	148.73
	1,502.87	2,107.18
	32,312.93	32,829.52
	6,865.62	10,661.20
Total	39,178.55	43,490.72

NOTE '23'

OTHER INCOME

Dividend from Current Investments

Interest:

Loans

Bank Fixed Deposits

Others (Refer footnote)

Surplus on Sale / Discardment of Fixed Assets

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

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	5.42	1.07
	12,778.66	13,493.19
	288.91	219.96
	3,291.54	762.07
	16,359.11	14,475.22
	0.01	—
	41.86	7.68
	0.14	0.26
	199.42	228.53
	157.15	366.10
	398.58	602.57
	16,763.11	15,078.86
	698.43	479.35
Total	17,461.54	15,558.21

Footnote:

Includes ₹ 2,000.00 lacs yield compensation (interest) received during the year, arising on account of restructuring the terms of investment made through Debentures.

NOTE '24'

COSTS OF CONSTRUCTION / DEVELOPMENT

Construction Costs incurred during the year:

Add / (Less):

Transferred to Fixed Assets during the year

Transferred from Capital Work-in-Progress during the year

Share in Joint Ventures

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	15,865.26	18,898.63
	—	—
	—	1,050.83
	15,865.26	19,949.46
	11,658.71	14,047.32
Total	27,523.97	33,996.78

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '25'

CHANGES IN INVENTORIES OF INCOMPLETE PROJECTS, FINISHED PROPERTIES AND FSI

Opening Inventory :

Floor Space Index (FSI)

Incomplete Projects

Finished Properties

Add / (less) :

Project Expenses written off

Reduction of Inventory on account of dilution in Subsidiary

Consumption and / or reversal of Floor Space Index

Transferred to tangible fixed assets

Addition to Inventory on consolidation of Subsidiaries

Closing Inventory :

Floor Space Index (FSI)

Incomplete Projects [Refer Note 3(vii)]

Finished Properties

Share in Joint Ventures

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	229.06	1,340.42
	98,327.72	64,389.79
	—	1,043.22
	98,556.78	66,773.43
		(3,031.18)
	(1,399.38)	—
	—	(1,111.36)
	—	(768.82)
	3,167.24	20,344.36
	100,324.64	82,206.43
	1,088.68	229.06
	108,031.25	98,327.50
	—	—
	109,119.93	98,556.56
	(8,795.29)	(16,350.13)
	(13,483.46)	(11,557.31)
Total	(22,278.75)	(27,907.44)

NOTE '26'

EMPLOYEE BENEFITS EXPENSE

Salaries, Bonus, etc.

Contribution to Provident and Other Funds

Staff Welfare Expenses

Other Fund Expenses

Share in Joint Ventures

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	1,356.12	2,414.00
	32.05	90.28
	46.40	56.37
	5.73	8.80
	1,440.30	2,569.45
	396.68	290.28
Total	1,836.98	2,859.73

NOTE '27'

FINANCE COSTS

Interest:

Debentures

Fixed Loans

On delayed payments

Others

Other Borrowing Costs

Share in Joint Ventures

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
	5,663.41	4,195.97
	22,507.25	22,031.47
	590.82	395.77
	3,327.94	1.00
	32,089.42	26,624.21
	2,180.24	1,749.61
	34,269.66	28,373.82
	7,616.90	5,129.27
Total	41,886.56	33,503.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '28'

DEPRECIATION AND AMORTIZATION

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
Depreciation on Tangible Fixed Assets	407.29	493.87
Amortization on Intangible Assets	98.85	97.70
Depreciation on Investment Property	148.42	174.75
	654.56	766.32
Share in Joint Ventures	415.23	639.58
Total	1,069.79	1,405.90

NOTE '29'

OTHER EXPENSES

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
Insurance	49.23	45.05
Rent	202.82	18.56
Rates and Taxes	107.92	117.26
Advertisement Expenses	275.69	606.43
Advances and Other Debit Balances written off	47.55	20.83
Donations	64.46	32.59
Brokerage	451.53	217.72
Bad Debts	28.81	—
Directors' Fees and Travelling Expenses	30.89	46.28
Commission to Non-Executive Directors	44.94	37.20
Diminution in the value of Current Investments	0.97	—
Provision for Doubtful Advances	—	7.53
Repairs and Society Maintenance Charges	202.23	212.97
Project Expenses written off	—	3,031.18
Legal and Professional Fees	1,127.63	1,567.64
Expenditure incurred on Joint Venture Projects written off	421.19	2,256.36
Other Expenses	880.92	1,447.88
Loss on Foreign Currency Fluctuation	5.95	—
Loss on Sale / Discardment of Fixed Assets	—	37.11
Interest on delayed payments	1,574.29	1,372.83
	5,517.02	11,075.42
Share in Joint Ventures	1,615.46	1,856.28
Total	7,132.48	12,931.70

NOTE '30'

During the previous year, a major fire took place at the registered office of the Company on 23rd December, 2011, causing extensive damage and destruction of the records, documents and assets of the Company. However, the financial accounting records of the Company were intact. The assets of the Company at its registered office, which were destroyed in the fire, were insured. On account of pending approval of the claims from the insurer, the Company had provided for losses to the extent of current year ₹ Nil (P.Y. ₹ 350.00 lacs) on a prudent basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '31'

PRIOR PERIOD ADJUSTMENTS (NET)

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
Depreciation adjustments	—	7.68
Debits relating to earlier years:		
Finance costs	(210.13)	(0.89)
Legal and Professional fees	(36.65)	(6.34)
Reversal of Floor Space Index (FSI)	—	(664.44)
Other expenses	(156.92)	(5.95)
Credits relating to earlier years:		
Finance costs	129.00	40.06
Insurance	—	8.81
Other expenses	15.87	24.68
Total	(258.83)	(596.39)

NOTE '32'

EARNINGS PER SHARE (EPS)

	31 March, 2013 (₹ in lacs) / (Nos.)	31 March, 2012 (₹ in lacs) / (Nos.)
Net Profit as per Statement of Profit and Loss available for Equity Shareholders before extraordinary items (₹)	(212.69)	2,723.16
Net Profit as per Statement of Profit and Loss available for Equity Shareholders after extraordinary items (₹)	(212.69)	2,369.96
Weighted average number of equity shares outstanding at the end of the year (Nos.)	72,735,871	72,735,871
Earning per equity share (Nominal value per share ₹ 10/- each)		
Earnings before extraordinary item:		
Basic and diluted	(0.29)	3.74
Earnings after extraordinary item (net of tax expense):		
Basic and diluted	(0.29)	3.26

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 (from June 01, 2012)
- 4 Glamorous Properties Private Limited (from May 25, 2012)
- 5 Harbinger Developers Private Limited
- 6 Holiac Realty Private Limited (Formerly known as Holiac Realty Limited) (from October 01, 2012)
- 7 Joynest Premises Private Limited (upto February 14, 2013)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '33' (contd.)

- 8 Pristine Developers Private Limited
- 9 Trans Gulf MEP Engineers Private Limited (upto September 30, 2012)
- 10 Whitebud Developers Limited
- 11 Vinca Developer Private Limited
- 12 Yellowcity Builders Private Limited
- 13 Sunstream City Private Limited (upto December 31,2012)

II. Jointly controlled entities

- 1 Hubtown Bus Terminal (Adajan) Private Limited (formerly known as Ackruti City Bus Terminal (Adajan) Private Limited)
- 2 Hubtown Bus Terminal (Ahmedabad) Private Limited (formerly known as Ackruti City Bus Terminal (Ahmedabad) Private Limited)
- 3 Hubtown Bus Terminal (Mehsana) Private Limited (formerly known as Ackruti City Bus Terminal (Mehsana) Private Limited)
- 4 Hubtown Bus Terminal (Vadodara) Private Limited (formerly known as Ackruti City Bus Terminal (Vadodara) Private Limited)
- 5 Hubtown Bus Terminal (Surat) Private Limited (formerly known as Ackruti City Bus Terminal (Surat) Private Limited)
- 6 Hoary Realty Limited
- 7 DLF Info Parks Pune Limited (formerly known as Ackruti City Magnum Limited) (upto May 21, 2012)
- 8 Joyous Housing Limited
- 9 Rare Townships Private Limited
- 10 Sunstream City Private Limited (from January 01,2013)
- 11 Aarti Projects and Constructions (upto May 31, 2012)
- 12 Akruti Jay Developers
- 13 Akruti Kailash Constructions
- 14 Akruti Realty Forefront Combine
- 15 Akruti Steelfab Corporation
- 16 Shreenath Realtors
- 17 Sole Builders
- 18 Hiranandani Akruti JV
- 19 Akruti Jay Chandan JV
- 20 Primeria JV
- 21 Akruti GM JV
- 22 Akruti SMC JV
- 23 Gandhi Adhivitiya Combine
- 24 Panama JV
- 25 Gulati Estate Joint Ventures

III. Key Management Personnel

- 1 Mr. Hemant M. Shah, Executive Chairman
- 2 Mr. Vyomesh M. Shah, Managing Director
- 3 Mr. Madhukar B. Chobe, Executive Director (upto December 31, 2012)

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
- 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 - Beneficiaries - Executive Chairman and Managing Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '33' (contd.)

V. Enterprises where key managerial 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 Saicharan Consultancy Private Limited
- 8 Sanskriti Developers Private Limited
- 9 Sunmist Builders Private Limited
- 10 Superaction Realty Private Limited
- 11 Bigcity Developers Private Limited
- 12 Starzone Developers Private Limited
- 13 Trans Gulf MEP Engineers Private Limited (from October 01, 2012)
- 14 Ukay Valves and Founders Private Limited
- 15 Vishwajeet Consultancy Private Limited

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			
	DLF Info Parks Pune Limited	— (—)	3,293.43 (33.50)	— (—)
	Citygold Management Services Private Limited	—	—	7,290.99 (5,901.49)
	Sunstream City Private Limited	— (12,501.00)	— (—)	— (—)
	Others	261.50 (0.25)	2,971.26 (8,844.83)	2,104.95 (1,265.83)
ii.	Loans and Advances given/ repaid/adjusted (including other payments)			
	Citywood Builders Private Limited	2,273.35 (70.00)	— (—)	— (—)
	Citygold Management Services Private Limited	— (—)	— (—)	6,185.92 (4,614.15)
	Sunstream City Private Limited	450.25 (27,011.65)	1,808.23 (—)	— (—)
	Others	490.13 (1,392.35)	2,775.47 (12,571.98)	2,142.90 (24.60)
iii.	Interest received			
	Sunstream City Private Limited	8,308.39 (—)	— (—)	— (—)
	Others	933.92 (475.32)	256.60 (695.13)	117.23 (361.98)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 \$
iv.	Interest paid			
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	35.71 (85.86)	— (—)
	Akruti SMC JV	— (—)	11.35 (8.12)	— (—)
	Kunjal H. Shah	— (—)	— (—)	2.04 (44.06)
	Others	— (—)	0.85 (—)	39.45 (94.68)
v.	Deposits received			
	Hemant M. Shah	— (—)	— (—)	103.50 (240.00)
	Vyomesh M. Shah	— (—)	— (—)	138.30 (—)
	Kunjal H. Shah	— (—)	— (—)	33.08 (575.00)
	Rushank V. Shah	— (—)	— (—)	30.00 (162.51)
	Hemant M. Shah HUF	— (—)	— (—)	98.92 (170.00)
	Mahipatray V. Shah HUF	— (—)	— (—)	96.00 (—)
	Others	— (—)	— (—)	207.00 (310.00)
vi.	Deposits repaid / pre-matured			
	Kunjal H. Shah	— (—)	— (—)	663.00 (575.00)
	Rushank V. Shah	— (—)	— (—)	197.51 (160.00)
	Hemant M. Shah (HUF)	— (—)	— (—)	170.00 (170.00)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	240.00 (240.00)
	Others	— (—)	— (—)	775.40 (450.00)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 \$
vii.	a. Directors' Remuneration			
	Hemant M. Shah	— (—)	— (—)	85.98 (182.43)
	Vyomesh M. Shah	— (—)	— (—)	77.31 (165.84)
	Madhukar Chobe	— (—)	— (—)	38.25 (54.00)
	b. Remuneration to relatives of KMP's			
	Rushank V. Shah	— (—)	— (—)	— (2.96)
	Khilen V. Shah	— (—)	— (—)	— (2.89)
viii.	Investments (Including Debentures) made			
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (1,066.25)	— (—)
	Gulati Estate Joint Venture	— (—)	372.50 (3,096.28)	— (—)
	Hoary Realty Limited	— (—)	429.36 (—)	— (—)
	Rare Townships Private Limited	— (—)	445.40 (—)	— (—)
	Others	— (301.05)	— (4.09)	— (—)
ix.	Investments transferred/ withdrawn			
	Akruti Jay Chandan JV	— (—)	— (1,216.17)	— (—)
	Aarti Projects and Constructions	— (—)	0.74 (1,675.00)	— (—)
	Hiranandani Akruti JV	— (—)	91.09 (—)	— (—)
	Others	— (—)	6.90 (44.22)	— (—)
x.	Expenditure incurred on Joint Venture Projects			
	Joyous Housing Limited	— (—)	— (574.77)	— (—)
	Rare Townships Private Limited	— (—)	— (1,203.52)	— (—)
	Others	— (—)	— (—)	(—) (150.07)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 \$
xi.	Advance against share application adjusted/refunded			
	Rare Townships Private Limited	— (—)	445.40 (—)	— (—)
	Others	2.50 (—)	— (—)	2.50 (0.07)
xii.	Purchase of Transferable Development Rights / Properties			
	Akruti SMC JV	— (—)	125.12 (—)	— (—)
xiii.	Sale of Transferable Development Rights/ Incomplete Projects			
	Fourjone Realtors Private Limited	— (—)	— (—)	3,971.72 (—)
	Starzone Developers Private Limited	— (—)	— (—)	3,000.00 (—)
xiv.	Services received/availed			
	Citygold Management Services Private Limited	— (—)	— (—)	703.34 (820.83)
	Others	— (—)	— (—)	3.08 (—)
xv.	Services rendered			
	Akruti Jay Chandan JV	— (—)	19.60 (—)	— (—)
	Quadron Business Park Limited	— (—)	— (3,289.00)	— (—)
	Others	— (—)	— (73.19)	— (—)
xvi.	On behalf payments made (Including reimbursement of expenses)			
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	86.82 (—)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	103.89 (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	81.48 (—)	— (—)
	Akruti Jay Developers	— (—)	61.09 (944.33)	— (—)
	Sunstream City Private Limited	— (7,973.72)	1.15 (—)	— (—)
	Others	15.62 (797.19)	106.56 (924.38)	— (—)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 \$
xvii.	On behalf payments received/adjusted			
	Citywood Builders Private Limited	2,197.19 (—)	— (—)	— (—)
	Shreenath Realtors	— (—)	445.28 (—)	— (—)
	Sunstream City Private Limited	— (12,500.00)	— (—)	— (—)
	Others	— (43.67)	185.65 (3,694.98)	— (—)
xviii.	Share of profit from Partnerships/Joint Ventures			
	Hiranandani Akruti JV	— (—)	— (19.80)	— (—)
	Akruti Jay Chandan JV	— (—)	3.53 (73.71)	— (—)
	Aarti Projects and Constructions	— (—)	2,812.71 (—)	— (—)
xix.	Share of loss from Partnerships/Joint Ventures			
	Akruti Kailash Constructions	— (—)	0.74 (30.91)	— (—)
	Akruti Jay Developers	— (—)	164.28 (98.96)	— (—)
	Sole Builders	— (—)	0.77 (—)	— (—)
	Akruti Realty Forefront Combine	— (—)	2.88 (—)	— (—)
	Akruti Steelfab Corporation	— (—)	0.03 (—)	— (—)
	Hiranandani Akruti JV	— (—)	26.27 (—)	— (—)
	Primeria JV	— (—)	1.20 (—)	— (—)
	Akruti GM JV	— (—)	0.98 (—)	— (—)
	Gulati Estate Joint Venture	— (—)	0.02 (—)	— (—)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 \$
xx.	Sale of Shares			
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	— (2.50)	— (—)
	Kunjal H. Shah	— (—)	— (—)	0.30 (6.15)
	Falguni V. Shah	— (—)	— (—)	0.30 (6.15)
	Rushank V. Shah	— (—)	— (—)	0.10 (6.15)
	Khilen V. Shah	— (—)	— (—)	0.10 (6.15)
	Kushal H. Shah	— (—)	— (—)	0.10 (6.15)
xxi.	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 (—)
xxii.	Personal Guarantees of Directors given during the year			
	Debenture Trustees	— (—)	— (—)	500.00 (7,500.00)
	Financial Institutions	— (—)	— (—)	10,450.00 (6,850.00)
	Banks	— (—)	— (—)	70,320.00 (—)

Footnote:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 \$
xxiii.	Balance outstanding Receivable *			
	Sunstream City Private Limited	— (58,742.19)	39,033.73 (—)	— (—)
	Akruti Kailash Constructions	— (—)	1,687.49 (17,942.30)	— (—)
	Akruti SMC JV	— (—)	1,022.22 (—)	— (—)
	Akruti Jay Developers	— (—)	191.29 (2,437.49)	— (—)
	Citywood Builders Private Limited	6,611.98 (6,535.82)	— (—)	— (—)
	Fourjone Realtors Private Limited	— (—)	— (—)	1,021.72 (—)
	Harbinger Developers Private Limited	110.45 (—)	— (—)	— (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	1,554.66 (—)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	1,985.58 (51.01)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	1,232.68 (47.54)	— (—)
	Pristine Developers Private Limited	5,235.95 (105.13)	— (—)	— (—)
	Starzone Developers Private Limited	— (—)	— (—)	3,000.00 (—)
	Yellowcity Builders Private Limited	550.00 (550.00)	— (—)	— (—)
	Others	6,332.76 (4,530.25)	4,158.74 (12,433.10)	255.34 (763.47)

Footnotes:

- \$ Enterprises where key managerial 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, 2013

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 \$
xxiii.	Balance outstanding Payable *			
	Primeria JV	— (—)	155.57 (—)	— (—)
	Akruti Jay Chandan JV	— (—)	259.76 (1,440.95)	— (—)
	Vinca Developer Private Limited	1,061.00 (—)	— (—)	— (—)
	Hemant M. Shah HUF	— (—)	— (—)	98.92 (26.94)
	Mahipatray V. Shah HUF	— (—)	— (—)	96.00 (3.90)
	Mahipatray V. Shah Discretionary Trust	— (—)	— (—)	80.50 (—)
	Hubtown Bus Terminal (Adajan) Private Limited	— (—)	— (510.20)	— (—)
	Aarti Projects and Constructions	— (—)	— (2,505.31)	— (—)
	Others	— (2.79)	502.81 (128.70)	442.48 (161.32)
xxiv.	Personal Guarantees of Directors vacated during the year			
	Debenture Trustees	— (—)	— (—)	1,223.57 (—)
	Financial Institutions	— (—)	— (—)	10,407.16 (—)
	Banks	— (—)	— (—)	65,736.61 (19,604.00)
xxv.	Corporate Guarantees given for loans availed by others (amounts outstanding thereagainst)			
	Pristine Developers Private Limited	5,235.95 (6,292.00)	— (—)	— (—)
	Akruti SMC JV	— (—)	1,213.05 (1,347.00)	— (—)
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	1,985.58 (—)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	814.06 (—)	— (—)

Footnotes:

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

b. *including balances relating to transactions entered into when these were not related.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 \$
xxvi.	Corporate Guarantees given for on behalf payments (amounts outstanding thereagainst)			
	Hubtown Bus Terminal (Mehsana) Private Limited	— (—)	1,237.41 (1,237.41)	— (—)
	Hubtown Bus Terminal (Ahmedabad) Private Limited	— (—)	141.15 (141.15)	— (—)
	Hubtown Bus Terminal (Vadodara) Private Limited	— (—)	418.62 (—)	— (—)
xxvii.	Dividend paid			
	Hemant M. Shah	— (—)	— (—)	58.00 (145.00)
	Vyomesh M. Shah	— (—)	— (—)	75.40 (188.50)
	Mahipatray V. Shah (HUF)	— (—)	— (—)	96.00 (240.00)
	Hemant M. Shah (HUF)	— (—)	— (—)	68.92 (172.30)
	Vyomesh M. Shah (HUF)	— (—)	— (—)	41.00 (102.50)
	Kunjali H. Shah	— (—)	— (—)	53.08 (132.70)
	Falguni V. Shah	— (—)	— (—)	63.60 (159.00)
	Rushank V. Shah	— (—)	— (—)	36.00 (90.00)
	Khilen V. Shah	— (—)	— (—)	36.00 (90.00)
	Kushal H. Shah	— (—)	— (—)	36.00 (90.00)
	Lata M. Shah	— (—)	— (—)	24.00 (60.00)
	Others	— (—)	— (—)	12.00 (30.00)
xxviii.	Towards Purchase of TDR / Properties			
	Akruti SMC JV	— (—)	125.12 (—)	— (—)

Footnotes:

- \$ Enterprises where key managerial 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, 2013

(₹ in lacs)

Sr. No.	Nature of transaction	Associate companies	Jointly controlled entities	Key management personnel, their relatives and enterprises \$
xxix.	Towards Sale of FSI / TDR			
	Fourjone Realtors Private Limited	— (—)	— (—)	3,971.72 (—)
	Starzone Developers Private Limited	— (—)	— (—)	3,000.00 (—)
xxx.	Advance received towards purchase of flat			
	Vinca Developer Private Limited	1,061.00 (—)	— (—)	— (—)
xxxi.	Personal Guarantees of Directors			
	Banks	— (—)	— (—)	70,056.30 (63,640.27)
	Debenture Trustees	— (—)	— (—)	21,204.17 (17,500.00)
	Financial Institutions	— (—)	— (—)	16,329.66 (16,257.16)
xxxii.	Guarantees / Securities by way of shares of KMPs and their relatives in the Company pledged against loans availed by the Company	—	—	68,703.60 (74,355.76)

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 managerial personnel or their relatives exercise significant influence.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '34'

EMPLOYEE BENEFIT OBLIGATIONS

- a. An amount of ₹ 26.46 lacs (P.Y. ₹ 75.96 lacs) under defined contribution plan is recognised as income (P.Y. 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:

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
<u>Change in present value of obligation :</u>		
Obligation at beginning of the year	260.67	180.62
Current service cost	32.91	52.12
Interest cost	20.79	14.56
Actuarial Gain / (Loss)	(64.82)	23.81
Benefits paid	(32.14)	(10.44)
Obligation at the end of the year	217.41	260.67
<u>Change in plan assets :</u>		
Fair value of plan assets at beginning of the year	179.17	160.07
Expected return on plan assets	16.44	15.02
Actuarial Gain / (Loss)	(1.09)	(0.48)
Contributions	29.25	15.00
Benefits paid	(32.14)	(10.44)
Fair value of plan assets at the end of the year	191.63	179.17
<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	2.18	(3.80)
Fair value of plan assets at the end of the year	(66.99)	27.62
Net liability recognized in the balance sheet	1.09	0.48
<u>Experience Analysis - Liabilities</u>		
Actuarial (Gain) / Loss due to change in bases		
Experience (Gain) / Loss due to change in experience	217.41	260.67
<u>Experience Analysis - Plan Assets</u>	191.63	179.17
Experience (Gain) / Loss due to change in plan assets	(25.78)	(81.50)
<u>Gratuity cost recognised for the year</u>		
Expected rate of return on plan assets	9.25%	9.50%
Current service cost	32.91	52.12
Interest cost	20.79	14.56
Expected return on plan assets	(16.44)	(15.02)
Actuarial Gain / (Loss)	63.73	24.30
Net gratuity cost	100.99	75.96
<u>Investment details of plan assets (Investments with insurer):</u>		
Government securities	42.60%	50.79%
Bonds / NCDs	37.26%	42.48%
Equity Shares	4.66%	4.13%
Fixed Deposits and Margin Money Deposits	15.48%	2.60%

Assumptions:	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
	LIC (1994-96) Ult	LIC(1994-96)Ult	LIC (1994-96) Ult	LIC(1994-96)Ult	LIC(1994-96)Ult
Mortality					
Normal age of retirement	65	65	65	65	65
Discount rate	8.05%	8.50%	8.30%	8.00%	7.75%
Rate of increase in compensation	5.00%	5.00%	5.00%	5.00%	5.00%
Withdrawal plan	1.00%	1.00%	3.00%	3.00%	3.00%
Present value of obligations (₹)	217.41	260.67	180.63	139.05	186.45
Fair value of plan assets (₹)	191.63	179.17	160.09	109.96	26.76
Surplus / (Deficit) in the plan (₹)	(25.78)	(81.49)	(20.54)	(29.09)	(159.69)

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

- b. Above information excludes information pertaining to joint venture entities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '35'

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 31st March, 2013 are given below:

	(₹ in lacs)	
	Acquisition	Disposal
Net Asset	6,570.81 (6,085.17)	1,458.26 (11.97)
Total Revenue	25.72 (590.58)	0.01 (0.01)
Loss before tax	15.64 (274.61)	0.66 (3.19)
Loss after tax	15.64 (276.33)	0.66 (3.19)

Footnote:

Figures in bracket represent information pertaining to previous year.

NOTE '36'

LEASE RENTAL INCOME IN RESPECT OF PREMISES GIVEN UNDER OPERATING LEASES

Operating lease obligations: The Company had given offices and other facilities under non cancellable operating leases for a period of thirty six months, which were renewable on a periodic basis with escalation ranging between 10% - 15% as per the terms of the agreements.

	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
Lease Rental Receivables:		
Not later than one year	579.69	836.42
Later than one year but not later than five years	13,882.25	3,213.23
Later than five years	129.02	—

NOTE '37'

DISCLOSURE OF DERIVATIVES

- No derivative instruments were outstanding at the end of the year.
- Uncovered risks in foreign currency transactions disclosed at 31st March, 2013
- Previous year figures are given in brackets.

Particulars	Cash on Hand		Trade Paybles		Advance to Supplier	
	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
USD	2,982	(2,982)	64,649	(61,258)	120,000	(—)
INR	161,863	(151,665)	3,509,147	(3,115,565)	6,513,600	(—)
EURO	110	(110)	—	(—)	5,922	(—)
INR	7,656	(7,467)	—	(—)	412,171	(—)
UK Pound	67	(67)	—	(—)	—	(—)
INR	5,530	(5,457)	—	(—)	—	(—)
SG \$	165	(165)	—	(61,274)	—	(12,240)
INR	7,217	(6,673)	—	(2,477,903)	—	(494,982)
AED	600	(600)	—	(—)	—	(—)
INR	8,868	(8,310)	—	(—)	—	(—)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '38'

CONTINGENT LIABILITIES (NOT PROVIDED FOR) :

(A) Claims against the Company not acknowledged as debts on account of :

1) Income tax matters under appeal	2,662.02	1,224.22
2) Demand notice issued by Brihanmumbai Municipal Corporation for land construction charges (property tax)	568.46	565.08
3) Development permission from forest department	156.22	156.22
4) Other Matters	84.53	23.28
5) Charges created on the assets of jointly controlled entities in favour of bankers / financial institutions for loans availed by other bodies corporate.	5,142.40	5,934.58

(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)

22,116.40 71,621.09

(C) On account of properties purchased in four subsidiaries, pending registration and other formalities under different statutes, for which confirmations are pending, with regards to consideration paid for the purchase of land through agreeegrator.

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 as identified and issued by the Company and relied upon by the auditors.

NOTE '39'

The consolidated financial statements present the consolidated accounts of the Company with its Subsidiaries, Joint Ventures and Associates, which incorporate Akruti 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 commences operations which become material. Further, the group operates within a single geographical segment.

NOTE '40'

During the earlier years M/s. Akruti Kailash Constructions "the firm" had entered into an agreement and sold FSI to a customer. As per clause no. 10(i) (a) of the said agreement, it has been agreed between the parties that the firm will receive the FSI consideration as and when the customer will realise the sale proceeds from sale of units. The holding Company's share in Trade Receivables (Current & Non Current) outstanding from the customer till date is ₹ 168.47 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 '41'

Variation between the Accounting Policies the followed by various entities within the group : Depreciation is calculated on Written Down Value method at the rates prescribed by Income Tax Act,1961 by entities in the nature of partnerships and association of persons (AOP). The proportion of items to which different accounting policies aforesaid applied is hereunder :

Net Block :

- i) Tangible Assets
- ii) Intangible Assets

31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
696.84	855.26
—	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE '42'

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

Particulars of all projects	31 March, 2013 (₹ in lacs)	31 March, 2012 (₹ in lacs)
Project Revenue recognised in the reporting period	19,165.51	3,498.63
The aggregate amount of cost incurred till date	160,862.44	136,369.88
Advances received (Net of revenue recognition) (Refer footnote a)	46,502.92	28,737.48
Work-in-Progress	108,031.25	98,327.50
Value of Inventories	109,745.47	99,163.12
Unbilled Revenue	22,876.35	15,690.85

Footnotes:

- Includes amounts received from customers against projects on which revenue is not recognised till date.
- Above information excludes information pertaining to joint venture entities.

NOTE '43'

The details of subsidiaries in terms of General circular No. 2/2011 dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, are disclosed in Annexure I to these financial statements.

NOTE '44'

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

The financial statements for the year ended March 31, 2012 had been prepared as per the then applicable prerevised Schedule VI of the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the Financial Statement for the year ended 31st March, 2013 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to the year's classification.

As per our report of even date

For **DOSHI DOSHI & ASSOCIATES**
Chartered Accountants

DINESH DOSHI
PARTNER

Mumbai
Date: 29th May, 2013

For **HARIBHAKTI & CO.**
Chartered Accountants

CHETAN DESAI
PARTNER

For and on behalf of the Board of Directors

HEMANT M. SHAH
EXECUTIVE CHAIRMAN

VYOMESH M. SHAH
MANAGING DIRECTOR

BHARAT MODY
CHIEF FINANCIAL OFFICER

CHETAN MODY
COMPANY SECRETARY

Mumbai
Date: 29th May, 2013

ANNEXURE - I

SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2013

Disclosure in terms of directions under Section 212 (8) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011

(₹ in 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	Profit / (Loss) after Taxation	Proposed Dividend and Tax thereon
ABP Realty Advisors Private Limited	181.00	(181.11)	31.84	31.95	—	0.87	(0.01)	(0.02)	(0.01)	—
Ackruti Safeguard Systems Private Limited	26.76	(938.98)	693.13	1605.35	—	44.15	(354.68)	47.54	402.22	—
Adhivitiya Properties Limited	5.00	(400.23)	440.82	1389.40	553.35	84.62	(125.77)	—	(125.77)	—
Arnav Gruh Limited	5.00	(1073.20)	1794.56	3008.86	146.10	46.59	(386.76)	—	(386.76)	—
Citygold Education Research Limited	230.50	2183.74	9042.08	6627.84	—	97.90	(86.47)	—	(86.47)	—
Citygold Farming Private Limited	259.75	2814.29	14761.94	11687.90	—	132.88	(0.89)	—	(0.89)	—
Devkrupa Build Tech Limited	5.00	(862.12)	257.89	1115.01	—	517.99	(381.53)	—	(381.53)	—
Diviniti Projects Private Limited	5.00	495.44	535.78	35.57	0.23	68.46	63.80	21.38	42.42	—
Gujarat Akruti-TCG Biotech Limited	2375.21	(306.75)	2371.35	302.89	—	0.14	(60.84)	—	(60.84)	—
Halitious Developer Limited	10.00	337.81	981.60	633.79	—	(0.25)	(75.57)	(2.74)	(72.83)	—
Headland Farming Private Limited	1.00	165.28	1754.17	1587.89	—	—	(3.07)	1.34	(4.41)	—
Heddle Knowledge Private Limited	1.00	(190.28)	8292.55	8482.15	0.32	349.52	(332.60)	2.64	(335.24)	—
Heeler Hospitality Private Limited	1.00	13.52	604.93	590.41	—	—	(0.65)	—	(0.65)	—
Heet Builders Private Limited	5.00	(80.96)	1.75	1785.50	1707.79	(0.85)	(11.28)	—	(11.28)	—
India Development and Construction Venture Capital Private Limited	5.00	(22.50)	0.37	17.87	—	—	(7.69)	—	(7.69)	—
Joyneest Premises Private Limited*	7271.94	(69.59)	17191.62	10344.67	355.40	96.33	(41.06)	—	(41.06)	—
Merrygold Buildcon Private Limited	1.00	(2.82)	6.18	8.00	—	—	(0.92)	—	(0.92)	—
Sheshan Housing and Area Development Engineers Limited	5.00	69.93	77.04	2.11	—	6.27	5.13	2.14	2.99	—

* - became a subsidiary during the year.



SUMMARY OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2013

Disclosure in terms of directions under Section 212 (8) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated February 8, 2011

(₹ in 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	Profit / (Loss) after Taxation	Proposed Dividend and Tax thereon
Upvan Lake Resorts Private Limited	1.20	(17.20)	481.88	497.88	—	7.63	1.03	0.19	0.84	—
Urvi Build Tech Limited	5.00	(753.67)	586.72	1335.39	—	376.82	(312.98)	—	(312.98)	—
Vama Housing Limited	5.00	(286.90)	16.02	452.52	154.60	5.05	(4.65)	—	(4.65)	—
Vega Developers Private Limited	1.00	(2.10)	1912.24	1913.34	—	—	(1.06)	—	(1.06)	—
Vishal Nirman (India) Limited	5.00	(7.04)	6.65	9.81	1.12	—	(0.99)	—	(0.99)	—
Vishal Techno Commerce Limited	5.00	2091.80	3848.43	1833.37	81.74	37.03	(20.08)	0.43	(20.51)	—
Yantti Buildcon Private Limited	5.00	(8.17)	5410.45	5416.54	2.92	4.49	(4.05)	—	(4.05)	—

For and on behalf of the Board

Hemant M. Shah
Executive Chairman

Mumbai
Date: May 29, 2013



E- COMMUNICATION REGISTRATION FORM

Form for registering e-mail address for receiving documents / notices by electronic mode

(In terms of Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively issued by the Ministry of Corporate Affairs, Government of India)

To

Link Intime India Private Limited
(Unit : Hubtown Limited)
C-13, Pannalal Silk Mills Compound
Lal Bahadur Shastri Marg, Bhandup (West)
Mumbai 400 078

Name of the Shareholder (s) (In Block Letters) including Joint holders, if any	

Folio No.	
DP ID No.	
Client ID No.	

I/We hereby agree to receive documents / notices from the Company in electronic mode and my e-mail address for receiving such communication is given below :

E- mail - Id	
---------------------	--

Signature of the First Shareholder	
---	--

Date : _____, 2013

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.

HUBTOWN

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HUBTOWN LIMITED

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

Folio No.	Client ID No.	DP ID	No. of shares held

ATTENDANCE SLIP

I hereby record my presence at the TWENTY FIFTH 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 **Monday, September 30, 2013 at 10.30 a.m.**

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF PROXY	

Note: A Member / Proxyholder attending the meeting must bring the Attendance Slip to the Meeting and hand it over at the entrance duly signed.

HUBTOWN LIMITED

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

Folio No.	Client ID No.	DP ID	No. of shares held

FORM OF PROXY

I/We _____ of _____ in the district of _____ being a member/members of **HUBTOWN LIMITED** hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on **Monday, September 30, 2013 at 10.30 a.m.** and at any adjournment thereof.

Signed this _____ day of _____, 2013.

Affix ₹ 1/-
Revenue
Stamp

Signature _____

N.B. : The proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

HUBTOWN

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HUBTOWN

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HUBTOWN

Regd. Off.: Hubtown Solaris, 2nd Floor, N. S. Phadke Marg,
Andheri (East), Mumbai - 400 069. INDIA
Tel.: +91-22-6703 7400 • Fax: +91-22-6703 7403
www.hubtown.co.in

HUBTOWN

FORM 'A'

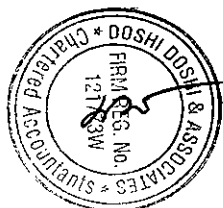
Format of covering letter of the annual audit report to be filed with the stock exchanges pursuant to Clause 31 (a) of the Listing Agreement

Sr. No.	Particulars	
1.	Name of the Company	Hubtown Limited (formerly known as Ackruti City Limited)
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of Audit Observation	Emphasis of Matter :
3.1		Notes '2 (III) (A) (ii) & (iii)' to the standalone financial statements and '3 (III) (A) (ii) & (iii)' to the consolidated financial statements with regard to recognition of expense and revenue for ongoing projects which is based upon estimated costs, as per the judgment of the management, which have been relied upon by the auditors, these being technical matters.
3.2		Footnote (c) to Note '4' to standalone financial statements and footnote (b) to Note '5' to consolidated financial statements with respect to recommendation of dividend for the year 2012-2013 by the Board of Directors of the Company, wherein the concurrence of the secured debenture holders are required to be obtained in accordance with the ICDR guidelines and Debenture Trust Deed.
3.3		Footnote (d) to Note '4' to standalone financial statements and footnote (c) to Note '5' to the consolidated financial statements with regard to non-creation of investments to the extent of 15 % of the value of redeemable debentures, which is required to be created and earmarked in accordance with the requirement of the Companies Act, 1956.
3.4		Footnote (c) to Note '13' in the standalone financial statements and footnote (b) to Note '14' in the consolidated financial statements with regard to investment in certain debentures.
3.5		In standalone financial statements, the Statement of Profit & Loss which includes share of profit (net) from investment in partnership firms aggregating ₹ 3282.76 lacs and investments in these firms aggregating ₹ 33,987.39 lacs (Refer Note 13 (F) & (G), Note 17 and 'Current account balance' in Note 10); are based on financial statements of the firms as audited by other auditors whose reports have been furnished to the auditors and which have been relied upon by the auditors.

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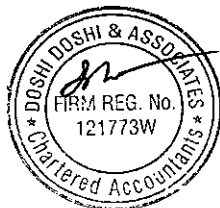
Hubtown Limited

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Sr. No.	Particulars
3.6	Footnote (e) to Note '13' to the standalone financial statements regarding the Company's investments aggregating ₹ 257.60 lacs in and loans and advances aggregating ₹ 95,702.98 lacs to, 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, investments in these entities are considered strategic and long term in nature, the entities are in early stage of real estate development and in the opinion of the Company, have current market values of certain property significantly in excess of carrying values and are expected to achieve adequate profitability on substantial completion of their projects.
3.7	Footnote (b) to Note '18' to standalone financial statements and footnote to Note '19' to consolidated financial statements with respect to the status of the projects and the opinion framed by the Company regarding realizable value of the cost incurred, being a technical matter relied upon by the auditors.
3.8	Footnote to Note '22' to standalone financial statements and footnote to Note '23' to consolidated financial statements with regard to compensation received towards yield, which is arising on account of restructuring of the originally contracted respective terms for investments, made through debentures.
3.9	Note '34(B)' to standalone financial statements regarding guarantees issued and securities provided aggregating ₹ 31,018.45 lacs issued by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the profit for the year and net worth of the Company. In the opinion of the Company, these are not expected to result into any financial liability to the Company; and Note '38(B)' to consolidated financial statements regarding guarantees issued and securities provided aggregating ₹ 22,116.40 lacs issued by the Company to banks and financial institutions on behalf of various entities, which are significant in relation to the profit for the year and net worth of the Company. In the opinion of the Company, these are not expected to result into any financial liability to the Company.
3.10	Footnote to Note '34' to standalone financial statements and footnote 38 to consolidated financial statements with regard to reliance placed by the auditors on certifications received from the management with regard to corporate guarantees given by the Company.



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FORM 'A'

Format of covering letter of the annual audit report to be filed with the stock exchanges pursuant to Clause 31 (a) of the Listing Agreement

Sr. No.	Particulars	
3.11		Item (i) of the Auditors' Report on consolidated financial statements regarding the financial statements of four subsidiaries (which comprises consolidation of three joint ventures) and one of the Joint Venture (which comprises consolidation of its one stepdown subsidiary) which reflects total assets of ₹ 33,229.75 lacs as at 31st March, 2013, total revenues (net) of ₹ 2,563.92 lacs and net cash outflow of ₹ 7227.50 lacs and consolidated financial statement of one Associate (which comprises consolidation of its two step down subsidiaries) which reflect total assets of ₹ 58,801.06 lacs as at 31st March, 2013, total revenues (net) of ₹ 922.22 lacs and net cash inflows of ₹ 26.89 lacs, were compiled, prepared and approved by the management of these subsidiaries, joint venture and associate, which have been furnished to the auditors. The auditors have not audited the financial statements of these entities and have relied on such management accounts. The Auditors' opinion is not qualified in respect of the aforesaid item nos. 3.1 to 3.11.
4.	Frequency of observation	Item Nos. 3.1, 3.4 and 3.5 have been reported in the Audit Reports since March 31, 2012. The remaining items have been reported in the Audit Reports for March 31, 2013 for the first time.

For Hubtown Limited

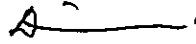

Shailesh H. Bathiya
 Audit Committee Chairman


Vyomesh M. Shah
 Managing Director


Bharat Mody
 Chief Financial Officer

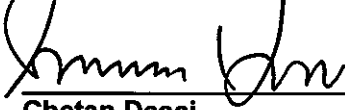
Statutory Auditors :

For Doshi Doshi & Associates,
 Chartered Accountants


Dinesh Doshi
 Partner



For Haribhakti & Co.,
 Chartered Accountants


Chetan Desai
 Partner



Date : May 29, 2013

Hubtown Limited

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FORM 'B'

Format of covering letter of the annual audit report to be filed with the stock exchanges pursuant to Clause 31 (a) of the Listing Agreement

Sr. No.	Particulars	
1	Name of the Company	Hubtown Limited
2.	Annual financial statements for the year ended	March 31, 2013
3.	Type of audit qualification	Qualified Opinion reported in the Auditors' Reports on standalone financial statements and consolidated financial statements.
3.1	Basis of Qualified Opinion in standalone financial statements	Attention is invited to Note No. 29 with regard to a major fire which took place at the registered office of the Company on December 23, 2011, causing extensive damage and destruction of the records, documents and assets of the Company, including the financial accounting records. The Company has however substantially reconstructed the financial records which have been relied upon for our opinion. The management is of the opinion that no significant adjustment would be necessary, to the position reported in the financial statements, upon reconstruction of balance documents and records.
3.2	Basis of Qualified Opinion in consolidated financial statements	Attention is invited to Note No. 30 with regard to a major fire which took place at the registered office of the Company on December 23, 2011, causing extensive damage and destruction of the records, documents and assets of the Company, including the financial accounting records. The Company has however substantially reconstructed the financial records which have been relied upon for our opinion. The management is of the opinion that no significant adjustment would be necessary, to the position reported in the financial statements, upon reconstruction of balance documents and records.
4.	Frequency of qualification	Qualification repeated for the year 2012-2013. The Statutory Auditors had, in their Reports on the audited financial statements (standalone and consolidated) for the year ended March 31, 2012, qualified for the first time, the observations at serial nos. 3.1 and 3.2 above.



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Sr. No.	Particulars	
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors' Report.	For qualification at serial no. 3.1 - refer note no. '29' to the standalone financial statements on page 66 and for qualification at serial no. 3.2 - refer note no. '30' to the consolidated financial statements on page 112 of the Annual Report for the year 2012-2013. The management has replied to the said qualification in the Directors' Report on page 11 of the Annual Report for the year 2012-2013 under the heading 'Auditors' Report', sub-heading 'Basis of Qualified opinion'.
6.	Additional comments from the Board / Chairman of the Audit Committee	The Board is of the view that the accounting and related financial records have been substantially reconstructed and changes on account of further retrieval of records, if any, are not expected to be material in nature and will not warrant significant adjustment to the position reported in the financial statements

For Hubtown Limited

Sh. Bathiya S.H.

Shailesh H. Bathiya
Audit Committee Chairman

Vyomesh M. Shah

Vyomesh M. Shah
Managing Director

Bharat Mody

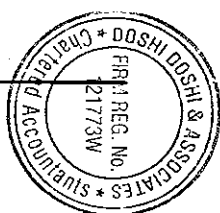
Bharat Mody
Chief Financial Officer

Statutory Auditors :

**For Doshi Doshi & Associates,
Chartered Accountants**

D. Doshi

Dinesh Doshi
Partner



**For Haribhakti & Co.,
Chartered Accountants**

Chetan Desai

Chetan Desai
Partner



Date : May 29, 2013

Hubtown Limited

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