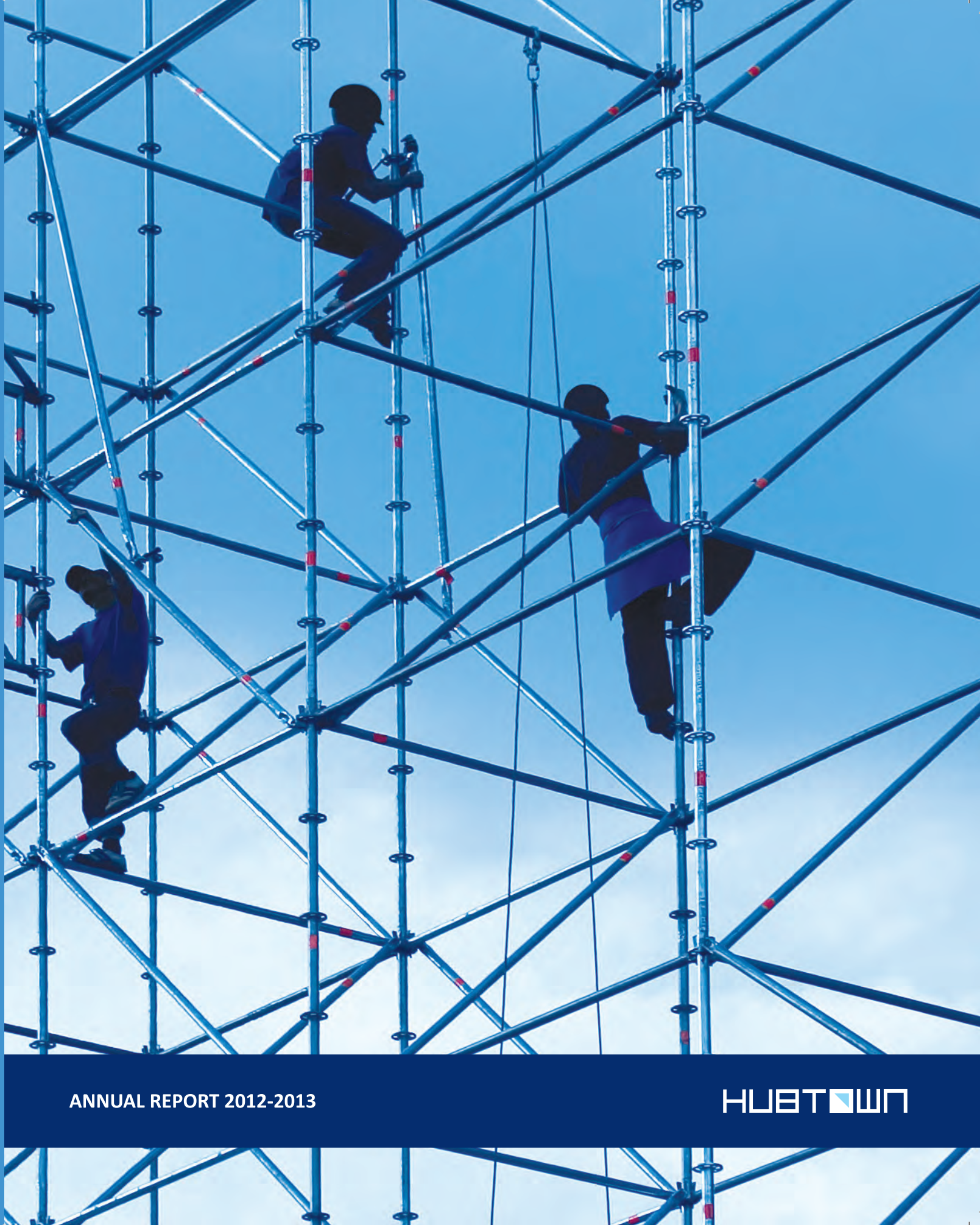


ANNUAL REPORT 2012-2013

HUBTOWN

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

May 29, 2013

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

Chetan S. Mody
Company Secretary

Notes :

1. **A PERSON ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The 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 :

   a. to notify immediately any change in their registered addresses alongwith PINCODE number to their respective Depository Participants (DPs) in respect of equity shares held in electronic form and to the Registrar and Share Transfer Agent of the Company at Link Intime India Private Limited in respect of equity shares held in physical form; and

   b. to register their e-mail address and changes therein from time to time with Link Intime India Private Limited for shares held in physical form and with their respective Depository Participants for shares held in demat form.

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

May 29, 2013

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

Chetan S. Mody
Company Secretary

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 :
'Hubtown Solaris', 2nd floor
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.