BUILDING HOMES FOR A BETTER TOMORROW

ANNUAL REPORT 2012-13

QUALITY ON TIME

Indiabulls
REAL ESTATE

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141 Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Company Information

Board of Directors

Mr. Sameer Gehlaut
Mr. Saurabh Kumar Mittal
Mr. Rajiv Rattan
Mr. Narendra Gehlaut
Mr. Labh Singh Sitara
Mr. Shamsher Singh Ahlawat
Mr. Aishwarya Katoch
Mr. Karan Singh Khera
Mr. Prem Prakash Mirdha

Company Secretary

Mr. Ravi Telkar

Bankers

Axis Bank Limited
Bank of India
Corporation Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
State Bank of Bikaner and Jaipur
State Bank of India
Vijaya Bank
Yes Bank Limited

Registered Office

F-60, Malhotra Building,
2nd Floor, Connaught Place,
New Delhi - 110 001, INDIA
Website: http://realestate.indiabulls.com

Corporate Offices

1. Indiabulls House, Indiabulls Finance Centre,
   Tower 1, Senapati Bapat Marg,
   Elphinstone Road, Mumbai - 400 013,
   Maharashtra

2. Indiabulls House, 448-451
   Udyog Vihar, Phase V,
   Gurgaon - 122 016, Haryana

Statutory Auditors

Sharma Goel & Co.
Chartered Accountants

Registrar and Share Transfer Agent

Karvy Computershare Private Limited
Plot no. 17 to 24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081

Business Update

Key Financial Highlights: FY 12-13

	FY 12-13	FY 11-12
Total Revenues (₹ Cr.)	1,300.56	1,391.59
PBT (₹ Cr.)	267.06	232.32
PAT (₹ Cr.)	175.47	168.19
EPS (₹)	3.74	3.73

Year-on-Year (Y-o-Y) Comparison – Q4 FY 12-13 v/s Q4 FY 11-12

	Q4 FY 12-13	Q4 FY 11-12
Total Revenues (₹ Cr.)	412.30	445.24
PBT (₹ Cr.)	94.79	60.81
PAT (₹ Cr.)	60.29	57.77
EPS (₹)	1.17	1.17

Dividend of 100% on face value of ₹2 per share has been declared for FY 2012-13

- Total Sales of ₹ 3,002 Crores in FY-13 vs. ₹ 1,982 Crores for the year FY -12.
- Company completed Share Buyback of 5 Cr. shares for ₹ 273.2 Cr. in FY-13.
- Annualized rental income increased to ₹ 486 Cr. in FY-13 vs. ₹ 354 Cr. in FY-12.
- Added 220 acres to the land bank in Gurgaon and Panvel.
- While other real estate companies got downgraded IBREL retained its A+ rating for long term debt and A1+ (highest possible) for short term debt.
- Revenue recognition of only ₹ 1,110 crores in FY13 compared to Sales of ₹ 3,002 crore in same period creating large backlog for future Revenues*

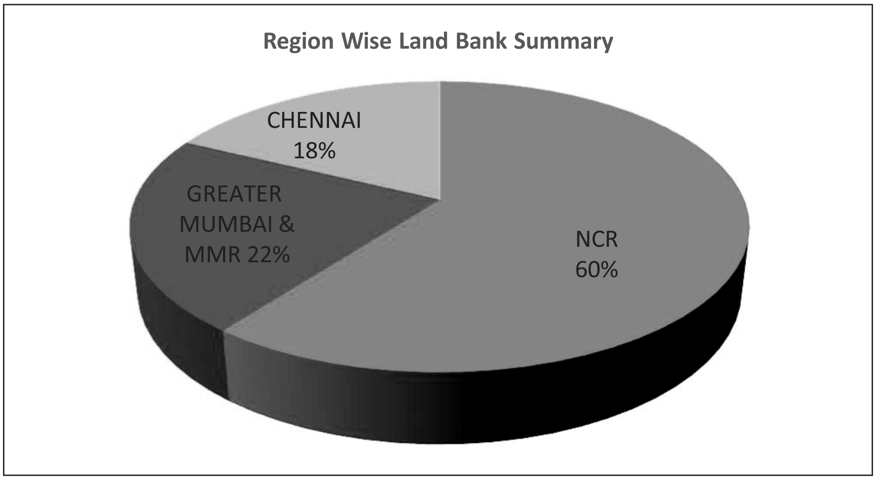
** All sales and marketing costs are expensed upfront and not amortized*

Total Land Bank

Area (In Acres)	Residential	Commercial	*Total
Opening Balance (As on 1st Apr 2012)	792.85	43.18	**836.03**
Addition in FY '13	220.77	0	220.77
Less: Moved to AUD	53.26	0	53.26
Closing Balance	**960.36**	**43.18**	**1,003.54**

** 2,588 Acres of Nashik SEZ not included in the above*

- **Acquired 220.77 acres land in FY-13 primarily in NCR.**
- **Strategic land acquisition over the years have helped IBREL to aggregate a land bank of 3,592 acres across India.**



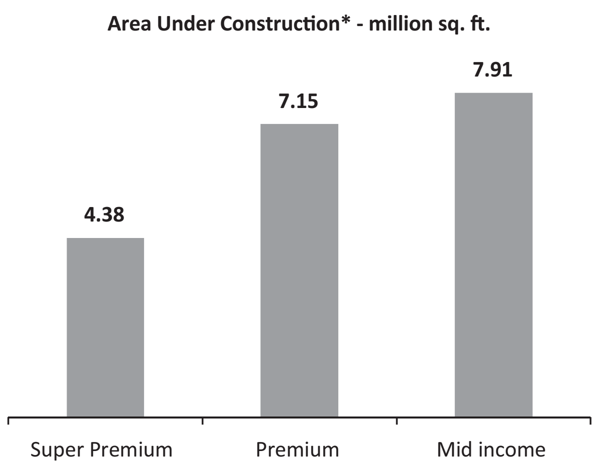
All land mentioned in the table is fully paid for and in our possession.

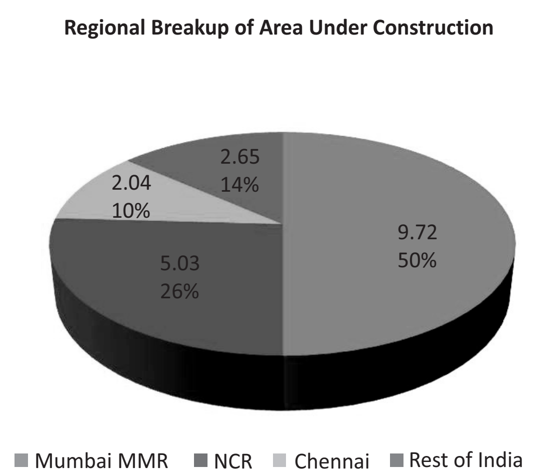
Area Under Development –
(Area under construction and Projects Under Approval Process)

TOTAL AUD (Region Wise Area in msft)				
Region	**Commercial**	**Residential**	**Total**	**Percentage**
GREATER MUMBAI & MMR	2.38	37.61	39.99	54.89%
NCR	3.94	16.08	20.02	27.48%
CHENNAI	—	8.67	8.67	11.90%
OTHERS	1.50	2.68	4.18	5.73%
GRAND TOTAL	**7.82**	**65.04**	**72.86**	**100%**

- Focus Geographies of Mumbai, NCR and Chennai constitute ~95% of AUD and ~99% of value of AUD
- All land acquisition and development effort focus is concentrated on these three centers

Approved Projects





- Total Saleable Area Under Construction – 19.44 Mn. Sq. ft. as on 31st Mar-13.

** All construction work being executed through 100% IBREL subsidiaries by Grade A contractors like Shapoorji Pallonji, Ahluwalia, Ramky etc.*

Approval Status of Major Projects

	Environmental Clearance	Building Plan Approval	Airport NOC	Fire NOC
Indiabulls Greens Panvel	✓	✓	✓	✓
Golf City Savrolli	✓	✓	NA	✓
Indiabulls Blu Worli	✓	✓	✓	✓
One Indiabulls Worli	✓	✓	✓	✓
Centrum Park	✓	✓	✓	✓
Enigma	✓	✓	✓	✓
Chennai Greens	✓	✓	NA	NA
Sky	✓	✓	✓	✓
Sky Forest	✓	✓	✓	✓

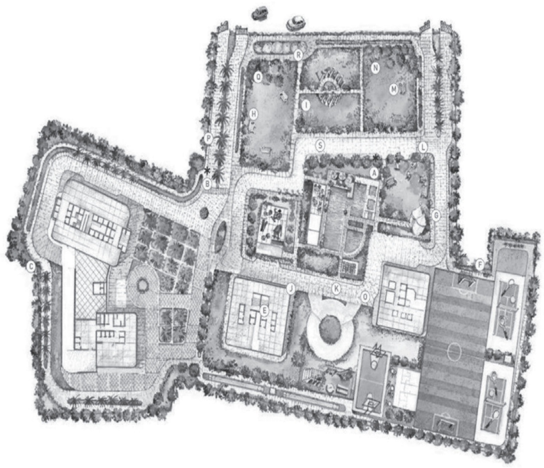
Sales Inventory of approved under construction projects

Projects	Total Saleable Area (Mn Sqft)	Area Sold (Mn Sqft)	Area to be sold (Mn Sqft)	Total Value Sold (₹ Cr.)	Value of Unsold Inventory at Current Rates (₹ Cr.)
Super Premium	4.38	1.58	2.80	3,877	10,080
Premium	7.15	6.74	0.41	3,386	308
Mid Income	7.91	3.66	4.25	1,107	1,827
Total	**19.44**	**11.98**	**7.46**	**8,370**	**12,215**

- 11.98 msft already sold for Sales value of ₹ 8,370 crores
- 7.46 msft. remains to be sold with an estimated value of ₹ 12,215 crores at ongoing sale rates.
- Additional cash collections from Existing sales is ₹ 4,808 cr. linked to the construction progress of the projects.

Indiabulls Blu, Worli

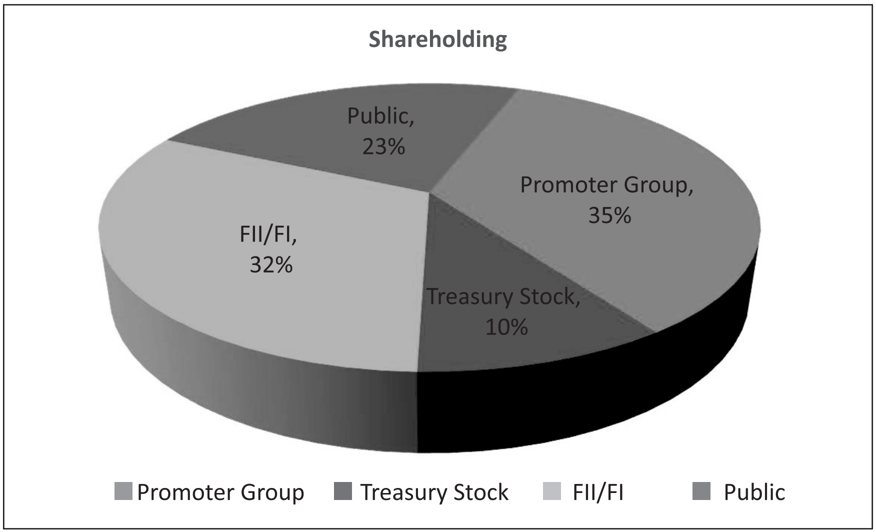
- Project launched at ₹ 36,000 psft in June 2012.
- Already achieved residential sale rate of ₹ 53,000 psft.
- Office - 250,000 sq ft x sale rate ₹ 25,000 (already contracted) = ₹ 625 Cr
- Construction cost (including IDC and all fees) = ₹ 1200 Cr
- Cash flow (after all costs) = ₹ 4425 Cr.
- Construction Status
  - All approvals in place
  - Complete civil construction by Dec 15
  - Shapoorji Pallonji has been awarded civil construction contract.



- **45% saleable area already sold in Blu - ₹ 4,425 pre tax cashflows over next 3 years.**
- **Revenue recognition in P&L expected from Q3 FY-14.**

Shareholding

	Shares
Buy Back in FY 13	5 .00 Cr
(post buyback) Mar’13	42.40 Cr
Treasury Shares	4.25 Cr
Effective outstanding	38.15 Cr



Indiabulls REAL ESTATE

Debt Profile

₹ in Cr

Bank Debt	March'13	March'12
Gross Debt	1,633	1,351
Net Debt*	1,195	1,134

** Net Debt = Gross Debt – Cash and Cash Equivalents*

Details of CCDs/OCDs and Pref Capital in Project SPVs		
Project	**March'13**	**March'12**
Tehkhand, New Delhi	314	314
Blu, Worli	183	147
Sector-106, Gurgaon	180	180
IB City, Sonepat	158	158
Centrum, Gurgaon	119	119
Sector-104, Gurgaon	108	108
Enigma-Gurgaon	96	96
Greens, Chennai	58	58
Sector -109, Gurgaon	52	52
TOTAL	**1,268**	**1,233**

- CCDs/OCDs and Pref capital in project SPVs are private equity investments with no recourse to Parent company

CHAIRMAN'S MESSAGE

Mr. Sameer Gehlaut
Founder & Chairman

Dear Shareholders,

The real estate sector in India has come a long way by becoming one of the fastest growing markets in the world. It is not only successfully attracting domestic real estate developers, but foreign investors as well. The growth of the industry is attributed mainly to a large population base, rising income level, and rapid urbanization. However, last couples of years have not been the best of the years for Indian real estate. While long-term factors are likely to work in favour of the real estate developers, the outlook for the short term remains subdued. The lukewarm sales and rising costs have had an impact on the profitability of real estate majors. Although, we saw some monetary easing by the Reserve Bank of India during the year, banks remain cautious towards issuing fresh loans to real estate companies. A silver lining for the sector, though, was that approval and clearances for the projects that were stuck for last few years, have started coming in, albeit slowly.

Notwithstanding the prevailing uncertainty, your Company has emerged resilient by balancing caution with diligence, evaluating all the potential opportunities with pragmatism. Not only have we managed to outperform our peers in the sector in terms of new project launches, speedy execution, and moderate debt, but have achieved spectacular sales together with a healthy bottom line. All this is reflected in the company's financials for the year gone by as also for the quarter ended 30th June, 2013. It's a sign of turning the corner that your company paid a dividend of ₹ 2 per share for the year 2012-13, and also declared an interim dividend of Re. 1 per share for the quarter ended 30th June, 2013.

Undeterred by the slow down

Despite the ongoing global uncertainties and spillover effect of slowdown of Indian economy, strong brand of Indiabulls has helped us achieve total Sales of ₹ 3,002 Crores in FY'13 vs. ₹ 1,982 Crores for FY'12. Profit after Tax (PAT) increased to ₹ 175.47 Crore from ₹ 168 Crore a year ago. The total income from operations for the FY'13 stood at ₹ 1,300.56 crores. These sales and profitability figure have to be seen in the context of overall economic slowdown as well sluggishness in the real estate sector, and they compare favourably with all the industry peers. Some of the key highlights that I'll like to share with you are as follows:

- Annualized rental income increased to ₹ 486 Cr. in FY'13 vs. ₹ 354 Cr. in FY'12.
- Added 220 acres to the land bank in Gurgaon and Panvel.
- While other real estate companies got downgraded, IBREL retained its A+ rating for long term debt and A1+ (highest possible) for short term debt.
- Revenue recognition of only ₹ 1,110 crores in FY'13 compared to Sales of ₹ 3,002 crore in same period, thereby creating large funnel for future revenues.
- First quarter of current financial year (April to June 2013) was marked by extremely robust sales across all our residential projects (₹ 1600 crore) with more than ₹ 1200 crore worth of sales being clocked by Western region alone, comprising IB Panvel, Savroli, and Sky range of projects.
- There was a good pick up in the sales of Chennai OMR project with more than 100 units being sold in the last quarter.

The outlook for the coming year, therefore, looks much brighter with several new launches planned in the next few months.

Focused on expansion and execution

Strategic land acquisition over the years has helped your company to aggregate a land bank of 3,598 acres (including Nashik SEZ) across India. Out of a total saleable area of 19.44 msft currently under execution, we have already sold