

ANNUAL
REPORT
2020
2021



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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. The information/disclosures made in this Annual Report are as on date of respective report and document and we undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Company's land bank and Company's project means the consolidated land bank and project of the Company as consolidated entity along with all its subsidiaries.

Company Information

BOARD OF DIRECTORS Mr. Sameer Gehlaut (DIN: 00060783) <i>Chairman & Non-Executive Promoter Director</i> Mr. Mehul Johnson (DIN: 00016075) <i>Joint Managing Director</i> Mr. Gurbans Singh (DIN: 06667127) <i>Joint Managing Director</i> Justice Mrs. Gyan Sudha Misra (Retd.) (DIN: 07577265) <i>Independent Director</i> Mr. Shamsher Singh Ahlawat (DIN: 00017480) <i>Independent Director</i> Mr. Praveen Kumar Tripathi (DIN: 02167497) <i>Independent Director</i> Mr. Gurinder Singh (DIN: 08183046) <i>Independent Director</i>	REGISTERED OFFICE Plot No. 448-451, Udyog Vihar, Phase V, Gurugram -122016, Haryana Website: https://www.indiabullsrealestate.com/ Tel: 0124-6681199, Fax: 0124-6681240 Email: helpdesk@indiabulls.com CIN: L45101HR2006PLC095409
	CORPORATE OFFICE One International Center, Tower 1, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013 Maharashtra
	REGISTRAR AND SHARE TRANSFER AGENT KFin Technologies Private Limited (Formerly 'Karvy Fintech Private Limited') Selenium, Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032
COMPANY SECRETARY Mr. Ravi Telkar	BANKERS Axis Bank Limited Bank of Baroda Bank of India Bank of Maharashtra Canara Bank (erstwhile Syndicate Bank) Central Bank of India Deutsche Bank AG HDFC Bank Limited IDBI Bank Limited IDFC FIRST Bank Limited IndusInd Bank Limited RBL Bank Limited State Bank of India Union Bank of India (erstwhile Andhra Bank) Yes Bank Limited
CHIEF FINANCIAL OFFICER Mr. Anil Mittal	
STATUTORY AUDITORS M/s Agarwal Prakash & Co. Chartered Accountants	
INTERNAL AUDITORS M/s MRKS & Associates Chartered Accountants	
SECRETARIAL AUDITORS M/s S. Khandelwal & Co. Company Secretaries	



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMY

Global economic activity is making a hesitant and uneven recovery on the back of extraordinary policy responses by monetary, fiscal and regulatory authorities. Vaccine rollout in major world economies has raised hopes of higher economic growth. However, the bounce back will also be largely dependent on the control of pandemic in low-income and emerging market economies.

India implemented the strictest lockdown in the world from March 25, 2020, to control the spread of COVID-19 pandemic. As a result, the first quarter FY 2020-21 registered a 24.4% contraction in the Indian GDP, which was followed by a contraction of 7.3% in the second quarter. With economy opening up in the second half, Q3 and Q4 GDP saw a growth of 0.3% and 1.6% respectively. Overall, India saw GDP contraction of 7.3% in FY2020-21, its first ever since FY 1980-81.

The country received USD 81.72 Bn of FDI investment in FY 2020- 21, the highest ever in the backdrop of a series of steps taken to improve the ease of doing business and to attract investments into domestic manufacturing capacity and an ambitious infrastructure project pipeline. As a result, the country is likely to post a current account surplus after a gap of 17 years. India's foreign exchange reserves too reached an all-time high of USD 608.08 Bn on June 11, 2021.

REAL ESTATE SECTOR

Real estate developers, who were reeling under pressure due to various reasons in the first half of FY 2020-21 got some relief in the second half as the real estate sector showed resurgence across the country and across all price segments supported by favourable factors such as vastly increased affordability, government duty cuts, attractive prices offered by developers, lucrative payment plans, low interest rates and favourable state and central government initiatives. This period witnessed the highest ever sales traction in projects of most of the real estate developers leading to improvement in their cash flows.

1. Market-share gains for listed developers

Market share of top 9 listed developers further improved in FY 2020-2021 to 11.9% (+270 bps) and is now at an all-time high, and sales of these top 9 developers went up by 23% and highlights the performance differential.

Given the low absolute market share at 11.9% of Tier 1 city sales and 9.5% of pan-India sales, the market share accretion story has a long way to go. As an example, the top developer share in China is near 35%.

2. Buyer's preference towards Completed/ Near Completion Inventory

Sales patterns across developers show that nearly 40%-50% of sales came from inventory monetization and the balance from new launches, highlighting the importance of late stage inventory in the mix.

3. Recovery taking hold in the Residential market

Overall sector volumes, despite the gains, are still down 26% from peak 2010 levels. The residential down cycle that started in 2011 ended in 2017 are now well placed in the new up cycle. This cycle is backed by multi-year high affordability across major cities and mortgage rates that are now nearing a 'psychological' low 7% handle.

4. Consolidation in Residential Real Estate

Market consolidation continues to remain accelerated post COVID-19 and companies with a Brand name, historical project delivery track record, strong balance sheet, relatively easy access to capital and project presence across price points stand to immensely gain market share.

5. REIT

SEBI, via its board meeting on 29 June, cut the trading lot size in REIT / INVIT to 1 unit. We believe this is a positive development as it should improve liquidity of the instruments and attract higher interest from the retail sector where due to lot size constraint, liquidity was weak despite a good yield on offer.

Source: J.P.Morgan (Asia Pacific Equity Research)

COMPANY'S BUSINESS OVERVIEW

Your Company, Indiabulls Real Estate Limited Ltd, has a well-diversified presence in residential real estate development across the price spectrum - Affordable, Mid-income, Premium & super-luxury space. Geographically, the Company's strategic focus is in key markets of Mumbai Metropolitan Region and the National Capital Region. Incorporated in 2006, the Company has, through its SPVs/subsidiaries, delivered 25+ million square feet of commercial & residential projects, including the iconic Indiabulls Blu Estate & Club residential towers in Worli, and commercial assets - One Indiabulls Centre and Indiabulls Finance Centre in Lower Parel.

MDA REPORT (Contd.)

Indiabulls Blu Tower Lobby Exterior View - Actual Image

Merger of Embassy Assets into Indiabulls Real Estate Limited - Combination will create one of India's leading real estate development platforms.

The Board of Directors of the Company, at its meeting held on August 18, 2020 had considered and approved merger of certain identified ongoing, completed and planned residential and commercial projects of Embassy Group ("Embassy Assets") by way of amalgamation of NAM Estates Private Limited ("NAM Estates") and Embassy One Commercial Property Developments Private Limited ("Nam Opco") both Embassy Group Entities with the Company, to be achieved through a cashless composite scheme of amalgamation, in accordance with Section 230-232 of the Companies Act, 2013 read with the rules framed thereunder, as amended, and the Securities and Exchange Board of India circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, as amended and other applicable regulations and provisions, and is subject to necessary statutory and other approvals.

Merger-Key Updates:

- Definitive agreement with Embassy
- Approval from SEBI/Stock Exchanges
- Approval from the Competition Commission of India
- Restructuring of entities within Embassy to initiate merger with IBREL and approval from Regional Director, Ministry of Corporate Affairs (Hyderabad)

After all the above, The Company has filed the requisite joint application with judicial bench of NCLT, for its approval to scheme of merger.

Merger-Executive Summary

- Assets of Embassy Group to merge into Indiabulls Real Estate ("IBREL"), to create one of India's largest listed real estate Company

MDA REPORT (Contd.)

- The merged entity will have a balanced mix of commercial and residential assets which should provide a natural hedge against cyclicalities and shall benefit from the new promoter, Mr. Jitendra Virwani, chairman of the Embassy Group
- Merger will create one of the leading market players among listed companies in the real estate sector in terms of surplus from launched projects, land bank ownership and residential stock + planned area development in India; 30 projects spread across major Tier I and a few Tier II cities of India
- Combined entity to be renamed Embassy Developments Ltd and to be co-headquartered in Mumbai and Bengaluru
- Residential business to have surplus from launched and planned residential projects exceeding ₹18,500 Cr; ₹201 Cr net investment to realize ₹10,667 Cr of surplus from launched residential assets
- Near completion inventory to generate a net surplus of ₹6,288 Cr
- Commercial square feet under development will increase substantially
- Platform to take advantage of recent market dislocations and accelerate growth through strong partnerships with investors and financial institutions

All numbers are as per presentation dated 18-Aug-20 i.e. on the date of approval of Scheme of Merger by respective Boards.

Business Achievements

- Total Collections in FY 20-21 is ₹ 2,154 Cr.
- New Sales in FY 20-21 is ₹ 1,988 Cr
- Consolidated debt of the Company net of cash and liquid investments is ₹ 1,088 Cr as on Jun 30, 2021 vs ₹ 2,025 Cr as on Mar 21, 2020, reduction of ~50%.
- Rating agency has assigned Long-term rating of “AA-” and Short-term rating of “A1+”.

Other Updates

During Q1 (FY 21-22), on account of changes in the Development Control Regulations, the Company is eligible for:

- In Mumbai additional saleable area of 0.73 Mn sqft in Blu over existing area of 12 acres of land - aggregating to Net Surplus of ₹ 2,755 Cr for the Company (This is excluding the additional share in area that will be available to Blackstone for their tower in the complex).
- In Thane additional saleable area of 0.98 Mn sqft over existing area of 7.22 acres of land - aggregating to Net Surplus of ₹ 1,016 Cr for the Company.

This Net Surplus of ₹ 3,771 is a new addition.

Completed Inventory & Total Net Surplus from Ongoing Projects (as at 30-June-2021)

- Total Net Surplus from completed inventory and projects that are currently ongoing is ₹14,258 Cr, an increase of 36%.
- Total sold receivables and completed/near completed inventory in hand is ₹3,612 Cr as at 30-June-2021.
- Area of completed inventory is 5.5 Mn sq. ft. and area under development of ongoing projects is 26.8 Mn sq. ft.
- Company has 1,929 acres of fully paid land bank spread across Mumbai, NCR, Chennai. As Government positions India as an attractive manufacturing destination, 1,424 acres of additional Nashik SEZ land can provide a significant impetus to asset monetization.
- Under-construction & Planned projects with total saleable area of 25.5 million sqft and an estimated surplus of ₹ 11,307 Cr.



Indiabulls Blu Tower Lobby Reception - Actual Image

MDA REPORT (Contd.)

A. Ongoing and Completed Projects

Projects	Location	Net Surplus ₹ Cr.
Under Construction Projects		
Blu Estate & Club, Worli	Mumbai	1,990
Indiabulls Greens, Panvel	Mumbai	624
Indiabulls Golf City, Savroli	Mumbai	587
One Indiabulls, Thane	Mumbai	790
One Indiabulls, Gurugram	NCR	783
Indiabulls One 09	NCR	139
Sub Total - Under Construction Projects		4,913

B. Planned Projects

Projects	Location	Net Surplus ₹ Cr.
Indiabulls Imperial, Gurugram (Sec 106)	NCR	1,930
Arivali, Panvel	Mumbai	292
Silverlake Villas, Alibaug	Mumbai	69
Centrum, Indore	NCR	332
Blu Estate & Club (Additional)	Mumbai	2,755
One Indiabulls, Thane (Additional)	Mumbai	1,016
Sub Total - Planned Projects		6,394
Grand Total		11,307

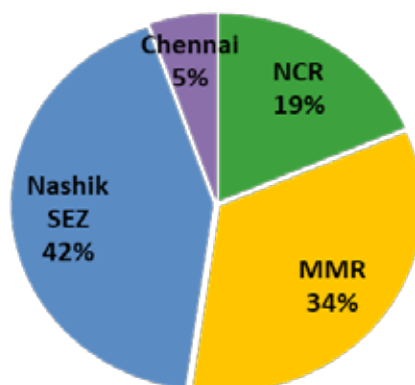
Note: Net Surplus = Pending Collections from Area Sold + Value of Unsold Inventory – Pending Construction Cost

C. Office Rental Portfolio:

Property	Leasable Area (Mn. sqft)	Net Surplus (₹ Cr)
Sector 106, Gurugram	1.31	1,372

D. Land Bank

The Company has fully paid land bank of 1,929 acres in key cities across India, of which more than 95% of the Land Bank is in high value super-metro cities – Mumbai (MMR), National Capital Region (NCR) and Chennai, and which is sufficient for proposed development over the next 5-7 years. In addition to the said land bank, the Company also possesses 1,424 acres of SEZ land in Nashik, Maharashtra.



Note: Company has 89% Economic Interest in SEZ Land

MDA REPORT (Contd.)

COMPETITIVE STRENGTHS

Consolidation through proposed merger

Post effectiveness of merger, the Company will have a strong market leadership potential, with:

- Net surplus from Residential projects (including launched and planned projects) of Rs. 18,592 Cr.
- Potential Annual rent on completion of planned commercial projects of Rs. 4,241 Cr.
- Land Bank (with future development potential) of 3,353 acres. As Government positions India as an attractive manufacturing destination (and an alternative to China), 1,424 acres of Nashik SEZ can provide a significant impetus to asset monetization.

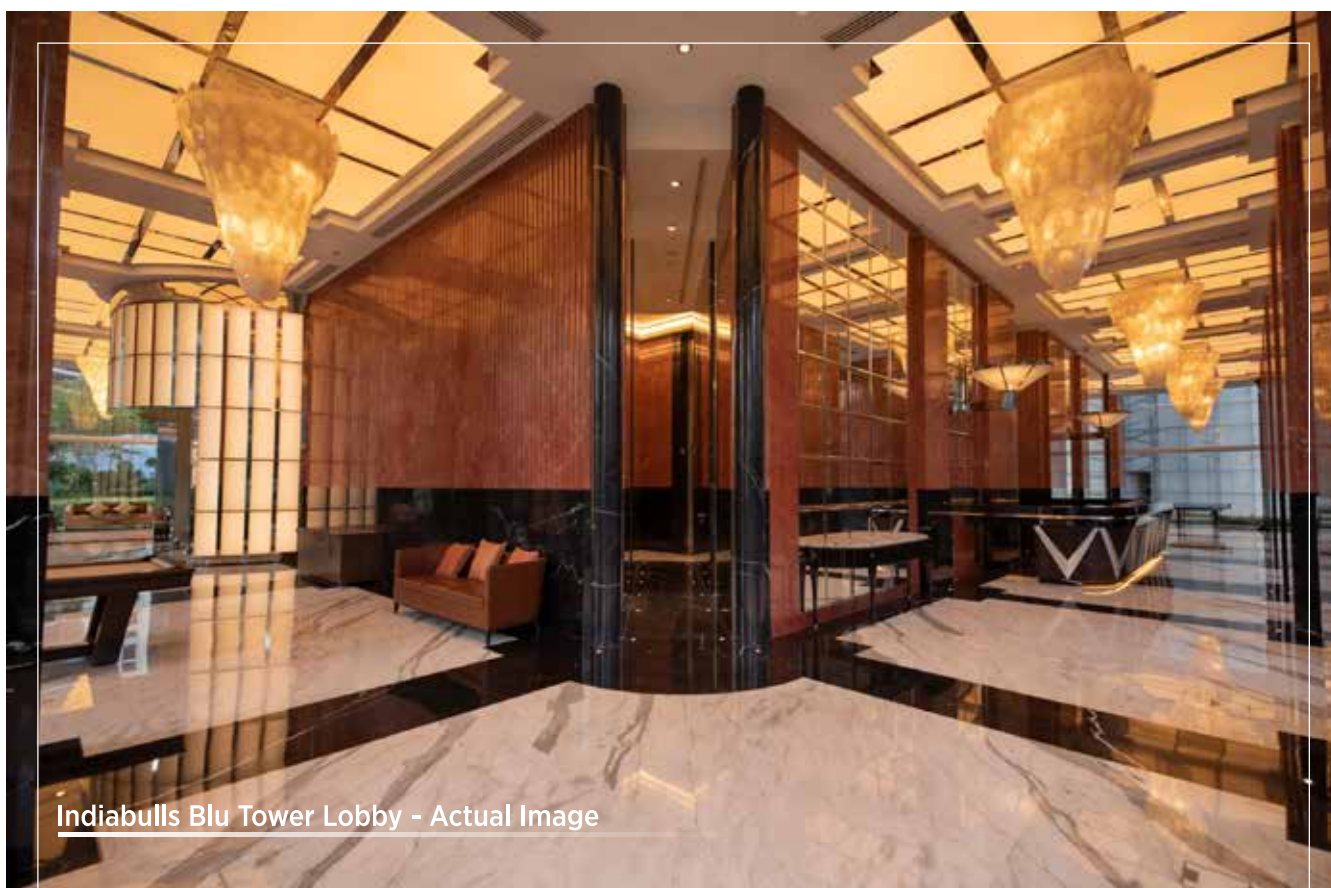
The Company will have a balanced mix of commercial and residential assets, which provides a natural hedge against cyclicity and will benefit from new promoters, who are also promoter of listed REIT, and their relationship with institutional investors.

All numbers are as per presentation dated 18-Aug-20.

Proven Track Record - Delivery

The Company has a track record of fastest and largest delivery in value terms, and enjoys high confidence of the investors and customers in view of its execution and quality delivery. The Company has, so far, delivered over 25 million sq. ft. of residential and commercial space:

- (a) One Indiabulls Centre, Mumbai
- (b) Indiabulls Finance Centre, Mumbai
- (c) Indiabulls Sky, Mumbai
- (d) Blu Estate & Club, Mumbai
- (e) Mint, Thane
- (f) Indiabulls Greens, Panvel



Indiabulls Blu Tower Lobby - Actual Image