Indiabulls
REAL ESTATE

REPORT OF THE AUDIT COMMITTEE OF INDIABULLS REAL ESTATE LIMITED

Present

(a) Mr. Shamsher Singh Ahlawat, Chairman;

(b) Mr. Labh Singh Sitara, Member

(c) Mr. Bishwshwar Prasad Singh, Member

1. Background

The Company has placed before the Audit Committee draft composite scheme of arrangement between Indiabulls Real Estate Limited ("**IBREL**"), Indiabulls Infrastructure Limited and India Land and Properties Limited and their respective shareholders and creditors ("**Scheme**") for recommendation of the Scheme by the Audit Committee to the Board of Directors as required *vide* Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (including amendments dated March 23, 2017, September 21, 2017 and January 3, 2018) ('**Circular**') and applicable provisions of the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

This report is made in order to comply with the requirements of the Circular after considering the following:

a. Draft Scheme;
b. Audited financial statements for the year ending March 31, 2018, March 31, 2017 and March 31, 2016;
c. Report by an independent Chartered Accountant M/s Sumit Mohit & Company, Chartered Accountants (FRN: 021502N) dated December 18, 2018 stating the reason for no shares being issued;
d. Fairness opinion dated December 18, 2018 of M/s D & A Financial Services (P) Ltd., an Independent SEBI registered merchant;
e. M/s Walker Chandiok & Co LLP, Chartered Accountants (FRN: 001076N/N500013), statutory auditor's certificate on accounting treatment under the Scheme.

Indiabulls Real Estate Limited

Indiabulls Real Estate Limited
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The audit committee took note of the fact that as per the report of the independent chartered accountant no shares are being issued under the Scheme and there will be no change in the shareholding of the Company, pursuant to the Scheme.

2. **Proposed Scheme**

The Salient features of the draft Scheme are as under:

- Demerger of operating business of India Land and Properties Limited into its parent company i.e., Indiabulls Infrastructure Limited to segregate the said business. The proposed demerger will enable direct ownership, better and more efficient management and control of the operating business.

- Post demerger, amalgamation of the residual business of India Land and Properties Limited that is a subsidiary of IBREL (Transferee Company) with IBREL resulting in reduction in the shareholding layers. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

3. **Recommendation of the Audit Committee**

The Audit Committee recommends the draft Scheme for favorable consideration by the Board of Directors of the Company, Stock Exchange(s) and SEBI.

Indiabulls Real Estate Limited

Date: 18.12.2018
Place: Gurugram

(Chairman of the Audit Committee)
Indiabulls Real Estate Limited

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