

Note on Scheme of Demerger

Indiabulls Wholesale Services Limited (IWSL) is a public company incorporated under the provisions of the Companies Act, 1956 on July 24, 2007 as a wholly owned subsidiary of Indiabulls Real Estate Limited (IBREL) having its registered office at E-29, First Floor, Connaught Place, New Delhi - 110 001. IWSL is engaged in the business of wholesale trading of various industrial / consumer products and commodities in select Indian cities, through itself and its subsidiaries.

Indiabulls Real Estate Limited is a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi - 110 001. IBREL is engaged primarily in the business of inter alia construction and development of properties, project management, power project advisory, investment advisory and construction services, with operations spanning all aspects of real estate development, from the identification and acquisition of land, to the planning, execution, construction and marketing of its projects (including architecture, design management and interior design), through the maintenance and management of its completed developments as well as providing consultancy services on engineering, industrial and technical matters to various industries including companies engaged in construction - development of real estate and infrastructure projects. IBREL itself and through its subsidiaries is also engaged in the business of wholesale cash and carry and wholesale trading of various industrial / consumer products and commodities in select Indian cities and the generation, transmission and distribution of power through its subsidiaries.

Through the Scheme of Arrangement the business, undertaking, activities and operations pertaining to wholesale trading business of Indiabulls Real Estate Limited have got demerged to and vested in Indiabulls Wholesale Services Limited. In consideration for the demerger, IWSL will issue and allot its 1 (One) equity share of face value Rs. 2/- (Rupees Two Only) each credited as fully paid-up for every 8 (Eight) equity shares of face value Rs. 2/- (Rupees Two Only) each fully paid up held by the members of IBREL as on April 25, 2011, being the record date fixed for the purpose.



Indiabulls Real Estate Limited

Corporate Address : Indiabulls Finance Centre, Tower 1, 15th Floor, 841 Senapati Bapat Marg, Elphinstone Road (W), Mumbai - 400 013.

Tel : 022-30445600 Fax : 022-30445644

Registered Office: F-60, Malhotra Building, 11nd Floor, Connaught Place, New Delhi - 110001. Tel.: (011) 4152 3700 Fax: (011) 41529071.

Website: www.indiabulls.com/realestate



TREATMENT OF FRACTIONAL SHARES, IF ANY, ARISING UNDER THE SCHEME OF ARRANGEMENT FOR DEMERGER

If any shareholder of the Demerged Company (IBREL) becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Resulting Company (IBWSL) in accordance with the Scheme of Arrangement, the Board of Directors of the Resulting Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Resulting Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee may in its sole discretion decide and on such sale pay to the Resulting Company, the net sale proceeds thereof and any additions and accretions, whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.

For INDIABULLS REAL ESTATE LIMITED


COMPANY SECRETARY



Indiabulls Real Estate Limited

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