

INDIABULLS REAL ESTATE LIMITED

Registered Office: F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi - 110 001.

PUBLIC NOTICE

Issued in compliance with Regulation 5A of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 read with Schedule I annexed thereto.

Section 77A of the Companies Act, 1956 (the “**Act**”) read with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the “**SEBI Buy Back Regulations**”) permits, the Buy-back of equity shares of a company up to 10% of its paid-up equity share capital and free reserves, if authorized by the board of directors of the company pursuant to a resolution passed at its meeting.

The Board of Directors of Indiabulls Real Estate Limited (the “**Company**”) at its meeting held on December 15, 2011 approved the proposal of Buy-back of Company's fully paid-up equity shares of face value Rs. 2/- each from the open market through the stock exchanges (hereinafter referred to as the “**Buy-back**”) in accordance with the provisions of the Act and the SEBI Buy Back Regulations including any statutory modifications and amendments from time to time being in force and subject to such other approvals, permissions and sanctions as may be necessary.

The various details required to be disclosed under Schedule I of SEBI Buy Back Regulations are given hereunder:

- The Buy-back proposal is being mooted with a view to enhance overall shareholder value in an investor friendly manner and as an efficient mechanism for providing an exit opportunity to the willing shareholders, and to enhance the earning per share of the Company and create long term shareholder value for continuing shareholders.
- The Buy-back is proposed to be implemented by the Company through the open market purchases on the Bombay Stock Exchange Limited (“BSE”) and / or National Stock Exchange of India Limited (“NSE”) using their electronic trading facilities. The Company shall not Buy-back its shares from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or any Private arrangements in the implementation of Buy-back. The Buy-back shall not be made from the Promoters of the Company and the Persons acting in concert with them or persons who are in control of the Company.
- The Board of Directors has approved a maximum limit of Rs. 450 crore for the Buy-back at a price not exceeding Rs.75/- per equity share. The price has been arrived at, after considering the stock market quotations, book value per share, and the possible impact the Buy-back may have on the earnings per share of the Company. The maximum Buy-back price of Rs.75/- per shares offers a premium of approximately 47.49% over the closing price of Rs. 50.85 at BSE and NSE on 14.12.2011, the latest trading day prior to the date of board meeting in which the Buy-back was approved. The maximum Buy-back price as proposed above will not impair the growth of the Company and also contribute to the overall enhancement of the shareholder value.

The Board has authorized Buy-back up to maximum of 6,00,00,000 equity shares and minimum of 50,00,000 equity shares of face value Rs. 2/- each. However, the actual number of equity shares to be bought back would depend upon the average price paid for the equity shares bought back and the amount deployed in the Buy-back. The funds required for the purpose of Buy-back shall be met out of free reserves (including Share premium) and Surplus and balance in the Profit and Loss Account of the Company.

Post the Buy-back the ratio of the debt owed by the Company will not be more than twice the capital of the Company and its free reserves.

- The aggregate shareholdings of the Promoters / Persons in control and also Persons acting in concert with them as on December 15, 2011 (being the date of Board Meeting) is 18,23,51,376 equity shares, comprising 15,49,51,376 fully paid Equity shares and 2,74,00,000 partly paid up equity shares, representing 35.78% of the proportionate voting rights on existing paid up Equity share capital of the Company.
 - During the period of six months preceding the date of the Board meeting at which the Buy-back was approved, an aggregate of 15,50,000 Equity Shares of the Company were purchased by the Promoter group entities and Persons acting in concert on June 21, 2011. The maximum and the minimum price at which the purchase was made were Rs.106.75 and Rs.98.85 respectively.

No shares were sold by the Promoters who are the Persons in control and also Persons acting in concert with them during the aforesaid period.

- The Promoters of the Company, persons in control and also persons acting in concert with them and directors of the promoter (where the promoter is a company) have confirmed that they will not sell their holding under the Buy-back as they are prohibited from selling their shares in terms of Regulation 15(b) of the SEBI Buy Back Regulations. In accordance with the same no promoter / persons in control and also persons acting in concert with them intend to tender their equity shares to the Company for the Buy-back. The Buy-back will not result in any change in the control or management of the Company.
- As per the provisions of the Act, resolution passed by the Board approving the Buy-back shall be valid and binding for a maximum period of 12 months from the date of passing of the said resolution or as per the terms of the Public Announcement or at a date to be determined by the Board in its absolute discretion whichever is earlier, subject however the Buy-back shall be commenced post listing of its shares issued in terms of the Composite Scheme of arrangement under the provisions of Sections 391-394 of the Companies Act, 1956 by and among the Company, Indiabulls Infrastructure and Power Limited (“IIPPL”), Indiabulls Builders Limited (“IBL”) Indiabulls Power Limited. (“IPL”), Poena Power Supply Limited (“PPSL”) and their respective shareholders and creditors (“the Scheme”) which has been made effective on November 25, 2011 with effect from the Appointed Date of April 01, 2011, pursuant to and in terms of the Hon'ble High Court of Delhi order dated October 17, 2011 approving the Scheme.
- In accordance with the regulatory provisions the shares bought back by the Company shall compulsorily be cancelled and shall not be held for re-issue at a later date.
- In terms of provisions of Section 77A(8) of the Act, the Company will not be entitled to make a fresh issue of its Equity shares for a period of six months from the date of completion of Buy-back except in cases/ circumstances mentioned in the said Section.
- The Company confirms that it does not accept any deposits from the public and that there are no defaults in redemption of debentures or preference shares or repayment of any term loans or interest payable thereon, to any financial institutions or banks.
- Pursuant to the requirements of section 77AA of the Companies Act, 1956, the Company shall transfer from its free reserves a sum equal to the nominal value of Equity shares purchased through Buy-back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its Audited balance sheet for the respective year.
- The Board confirms that it has made full enquiry into the affairs and prospects of the Company and has formed the opinion that:
 - Immediately following the date on which the meeting of the Board of Directors is convened, there will be no grounds on which the Company could be found unable to pay its debts.
 - As regards the prospects for the year immediately following the date of passing the board resolution and having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in view be available to the Company during that year, the Company would be able to meet its liabilities as and when the same fall due and would not be rendered insolvent within a period of one year from the said date.
 - In forming its opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 (including prospective and contingent liabilities).

The text of the Report dated 15/12/2011 received from M/s Sharma Goel & Co. Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors is reproduced below:

Report under Schedule I clause (xi) of the Securities and Exchange Board of India (Buy-back of Securities) Regulations 1998

In connection with the proposed Buy-back of Equity Shares approved by the Board of Directors of Indiabulls Real Estate Limited (“the Company”) at its meeting held on December 15, 2011 in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 (“Act”) and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time and based on the information and explanations given to us and on the basis of verification of relevant records as we considered appropriate, we report that:

- We have audited and reviewed in the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2011 and the unaudited financial results for the period ended December 13, 2011, which were taken on record by the Board of Directors at its meeting held on April 30, 2011 and December 15, 2011 respectively.
- The Board has proposed to Buy-back equity shares for a maximum amount of Rs. 450 Crore (“Maximum Offer Size”) at a price not exceeding Rs. 75/- per equity share (“Maximum Offer Price”). The amount of maximum permissible capital payment (including premium) towards the Buy-back of equity shares, has been properly determined in accordance with Section 77A(2)(A) and (B) of the Act as computed below:

Particulars	(Rs. in Crores)
Share Capital as on December 13, 2011(A)	90.55
Free Reserves*	
General Reserves	470.46
Profit & Loss Account **	8.77
Share Premium Account**	4,578.20
Total Free Reserves (B)	5,057.43
Total (A+B)	5,147.98
Less: Miscellaneous Expenditure not W/Off (C)	-
Total (A+B) - (C)	5,147.98
Maximum amount permissible for Buy-back i.e. 10% of the total paid-up capital and free reserves.	514.80

- The Board of Directors at its meeting held on December 15, 2011 has formed its opinion as specified in clause (x) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 on reasonable grounds and that the Company will not having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

- This certificate has been prepared in reference to proposed Buy-back of Equity Shares by the Company in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 (“Act”) and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and is not suitable for any other purpose.

For Sharma Goel & Co.
Chartered Accountants
FRN: 000643N

Amar Mittal
Partner
M.No. 017755

Place: New Delhi

*As per Explanation to the section 77A of the Act “free reserve” shall have the meaning assigned to it in clause (b) of Explanation to section 372A.

As per Explanation to the section 372A of the Act “free reserve” means those reserve which, as per latest audited balance sheet of the company, are free for distribution as dividend and shall include balance to the credit of the securities premium account but shall not include share application money.

** Free Reserves as per the audited balance sheet of the Company as at March 31, 2011 has been adjusted to give effect to a Composite Scheme of arrangement under the provisions of Sections 391-394 of the Companies Act, 1956 by and among the Company, Indiabulls Infrastructure and Power Limited (“IIPPL”), Indiabulls Builders Limited (“IBL”) Indiabulls Power Limited. (“IPL”), Poena Power Supply Limited (“PPSL”) and their respective shareholders and creditors (“the Scheme”) which has been made effective on November 25, 2011 with effect from the Appointed Date of April 01, 2011, pursuant to and in terms of the Hon'ble High Court of Delhi order dated October 17, 2011 approving the Scheme.

- As per the provisions of the Act, the resolution passed by the Board of Directors approving the Buy back will be valid for a maximum period of twelve months from the date of passing the resolution. The exact time and manner of Buy-back will be announced in accordance with SEBI Buy Back Regulations.
- The Board of Directors of the Company accepts responsibility for the information contained in this notice.

For and on behalf of the Board of Directors of Indiabulls Real Estate Limited

Vipul Bansal
Jt. Managing Director

Karan Singh Kherra
Director

Ravi Telkar
Company Secretary

Place: New Delhi

Date : December 15, 2011