

INDIABULLS PROPERTIES INVESTMENT TRUST

(a Business Trust constituted on 7 May 2008 under the laws of the Republic of Singapore)

Managed by Indiabulls Property Management Trustee Pte. Ltd.
(as Trustee-Manager of Indiabulls Properties Investment Trust)

ANNOUNCEMENT

REGULATORY AND DEVELOPMENT UPDATE

This announcement makes reference to IPIT's announcement dated 27th February 2017 wherein it was informed that the Airport Authority of India have rejected the 327 meters permissible height applied for Sky Suites and have ruled that it can no longer exceed 163 meters. We had also stated that this was expected to have a materially adverse effect on the total area that can be built on the site and that we would provide an update over due course.

Since 27th February 2017, having given due consideration to multiple designs and end use (residential versus office), our consultants (including architects, structural experts among other consultants) have been able to give us a view that with the recent height restriction imposed by the Airport Authority of India, an office scheme at the Sky Suites site is more appropriate from the perspective of optimum utilization of Floor Space Index ("FSI"). Offices allow us to have large uninterrupted floor plates versus residential space. In the residential development there are several planning restrictions with respect to ventilation as well as kitchen and toilet locations which restrict the maximum room width and result in lesser consumption of FSI per floor. Further, residential developments require more corridors, passages, etc. which also leads to more wastage of FSI per floor. Additionally, more height is required per floor in residential (due to sunk terraces) versus office space and hence there is further loss of overall FSI in the development given a specific overall height restriction imposed by the Airport Authority of India.

Since Sky Suites can no longer be built as earlier envisaged, the deposits received from the relevant customers towards booking of residential apartments in Sky Suites have to be dealt with as per the terms of booking agreed with such customers which envisages a refund along with interest. The amount of deposit along with the applicable interest is expected to be approximately S\$117 million. We will evaluate the best possible source of financing the refund of these customer deposits.

While the plans are still being finalized, it is estimated that approximately 700,000 square feet of office is likely to be built and it will take approximately three years to finish the building after obtaining all fresh permissions including environmental clearance and municipal approvals for the proposed commercial building. We expect to provide further update in this regard over the next few months once design, drawings and plans for the commercial building are drawn up in consultation with the architects, structural consultants among others.

BY ORDER OF THE BOARD

Indiabulls Property Management Trustee Pte. Ltd.
(as trustee-manager of Indiabulls Properties Investment Trust)

Pankaj Thukral
Chief Executive Officer

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Date: 20 March 2017

Important Notice

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