

Indiabulls
PROPERTIES INVESTMENT TRUST

ANNUAL REPORT **2016-17**



Actual picture of Indiabulls Finance Centre

PRO TERRA et NATURA

Sculpture by Wu Ching Ju





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PRINCIPAL OBJECTIVES OF THE TRUST

Indiabulls Properties Investment Trust ("IPIT" or the "Trust") is a Singapore-based Business Trust ("BT") registered with the Monetary Authority of Singapore ("MAS"), with the principal objectives of:

- investing, either directly or indirectly, primarily in income-producing properties globally, with at least the majority¹ comprising income-producing commercial/hospitality space²; and/or
- acquiring and/or developing properties globally (with at least the majority³ of IPIT's assets comprising commercial/hospitality space) and either holding or selling all or a portion of developed properties upon completion; and/or
- investing in real estate-related assets in connection with the foregoing.

¹ The term "majority" means more than 50.0% of total lettable/saleable area

² Includes hotels, motels, other lodging facilities, serviced residences and resorts

³ The term "majority" means more than 50.0% of total lettable/saleable area





ISIS

Sculpture by Simon Gudgeon

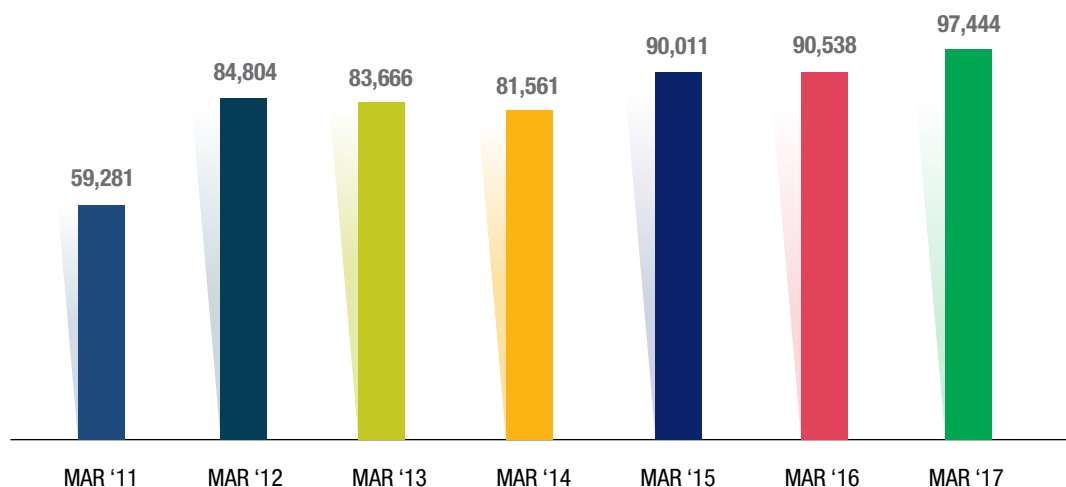
A PLACE OF TRANQUIL
BEAUTY THAT
REFRESHES AND
INVIGORATES THE SPIRIT.

Actual picture of One Indiabulls Centre

FINANCIAL HIGHLIGHTS

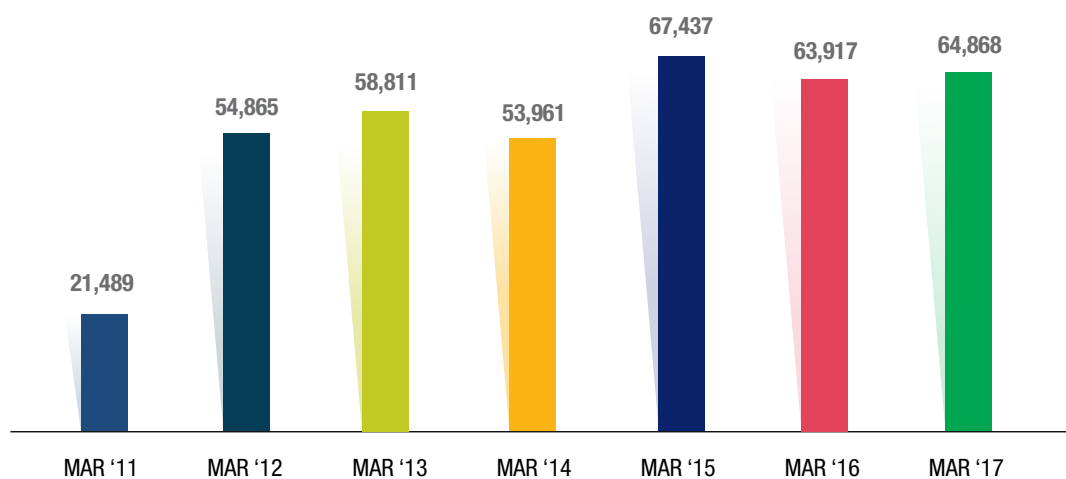
PROPERTY INCOME - BASE RENT

(S\$ '000)



NET PROPERTY INCOME

(S\$ '000)

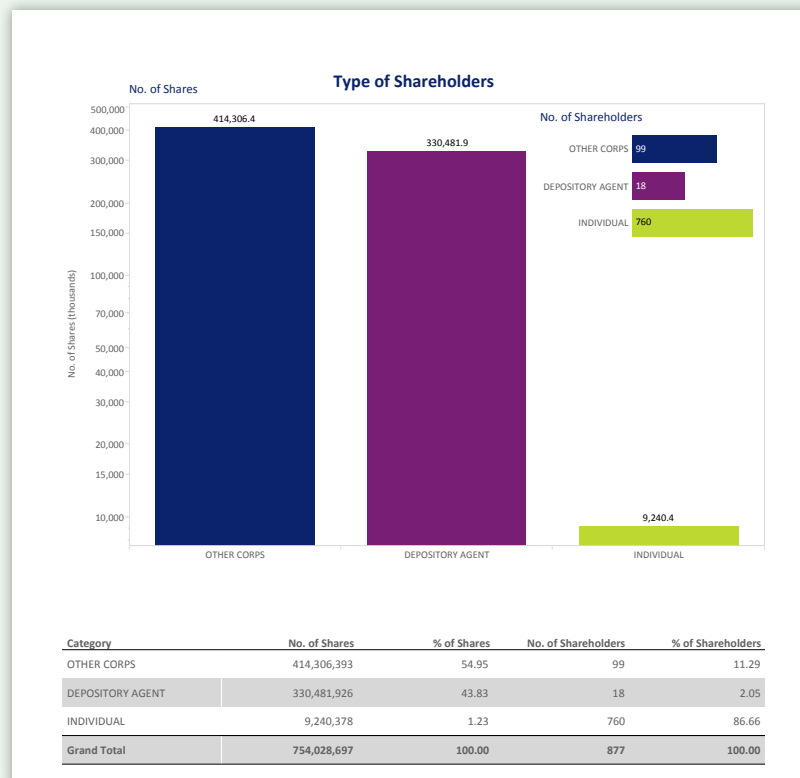
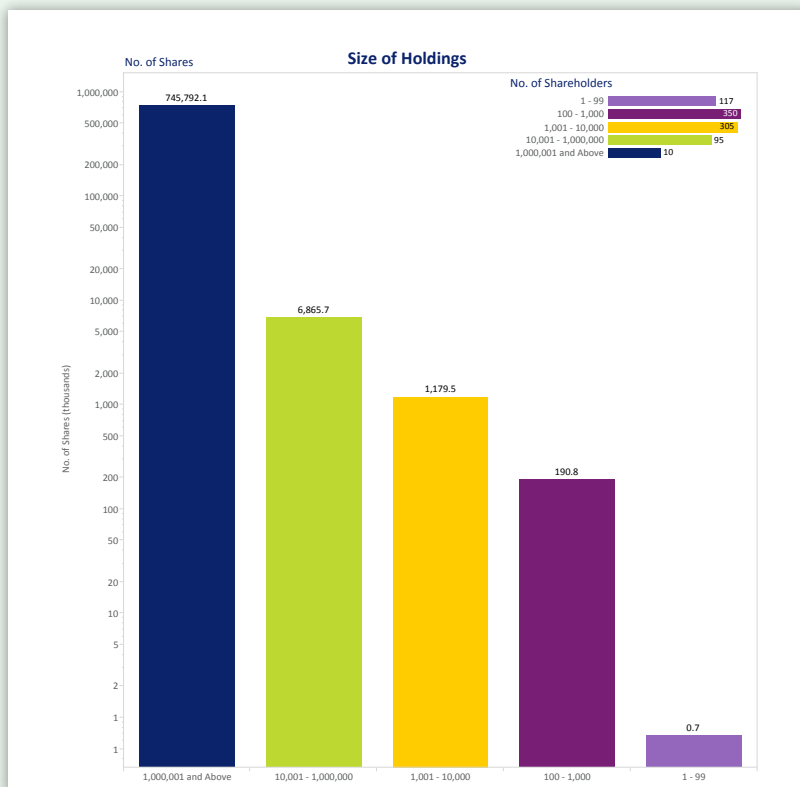


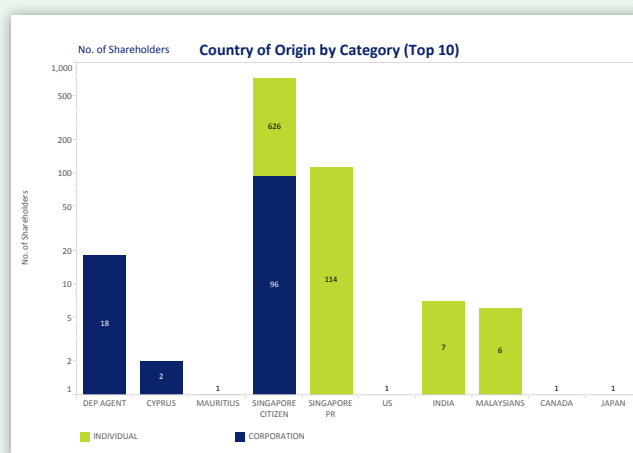
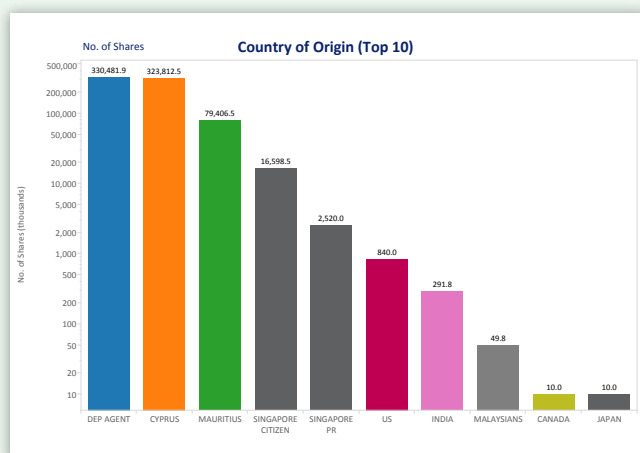
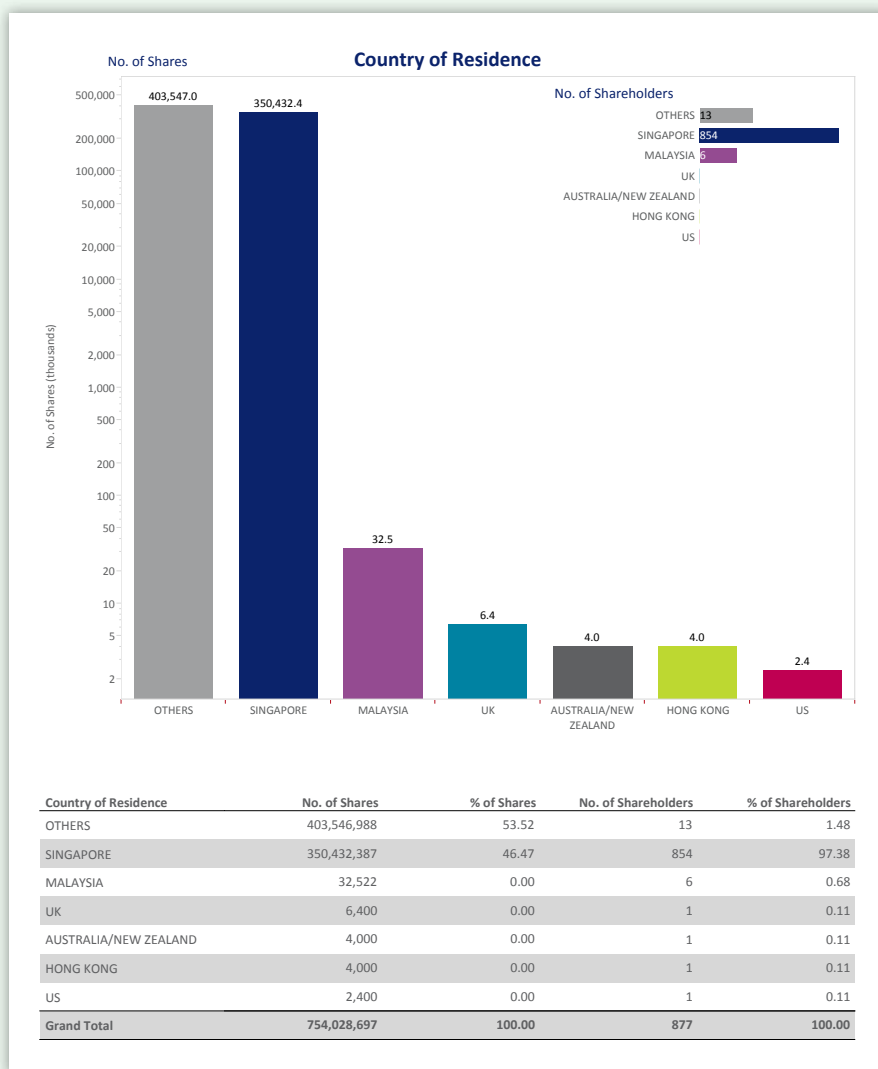


THE FOUR LOVES

Sculpture by Lorenzo Quinn

SHAREHOLDER DEMOGRAPHICS





Source: CDP Demographics Report as of 06 June 2017.

HIGHLIGHTS

- Prime office developments and premium luxury residential developments.
- Office developments
 - Completed office developments at One Indiabulls Centre (“One IBC”) and Indiabulls Finance Centre (“IFC”)
 - Indiabulls Commercial Development at Indiabulls Finance Centre, Mumbai*
- Residential developments
 - Indiabulls Sky and Indiabulls Sky Forest offers high-end luxury residential space.

* Given a specific overall height restriction imposed by the Airport Authority of India, Indiabulls Sky Suites can no longer be built as originally envisaged. The Trustee-Manager is considering developing Indiabulls Sky Suites as an office space, instead of a residential development after obtaining all fresh permissions including environmental clearance and municipal approvals for the proposed commercial building.

A MASTERPIECE
THAT IS
SIMULTANEOUSLY
MODERN AND
TIMELESS.





Actual picture of One Indiabulls Centre

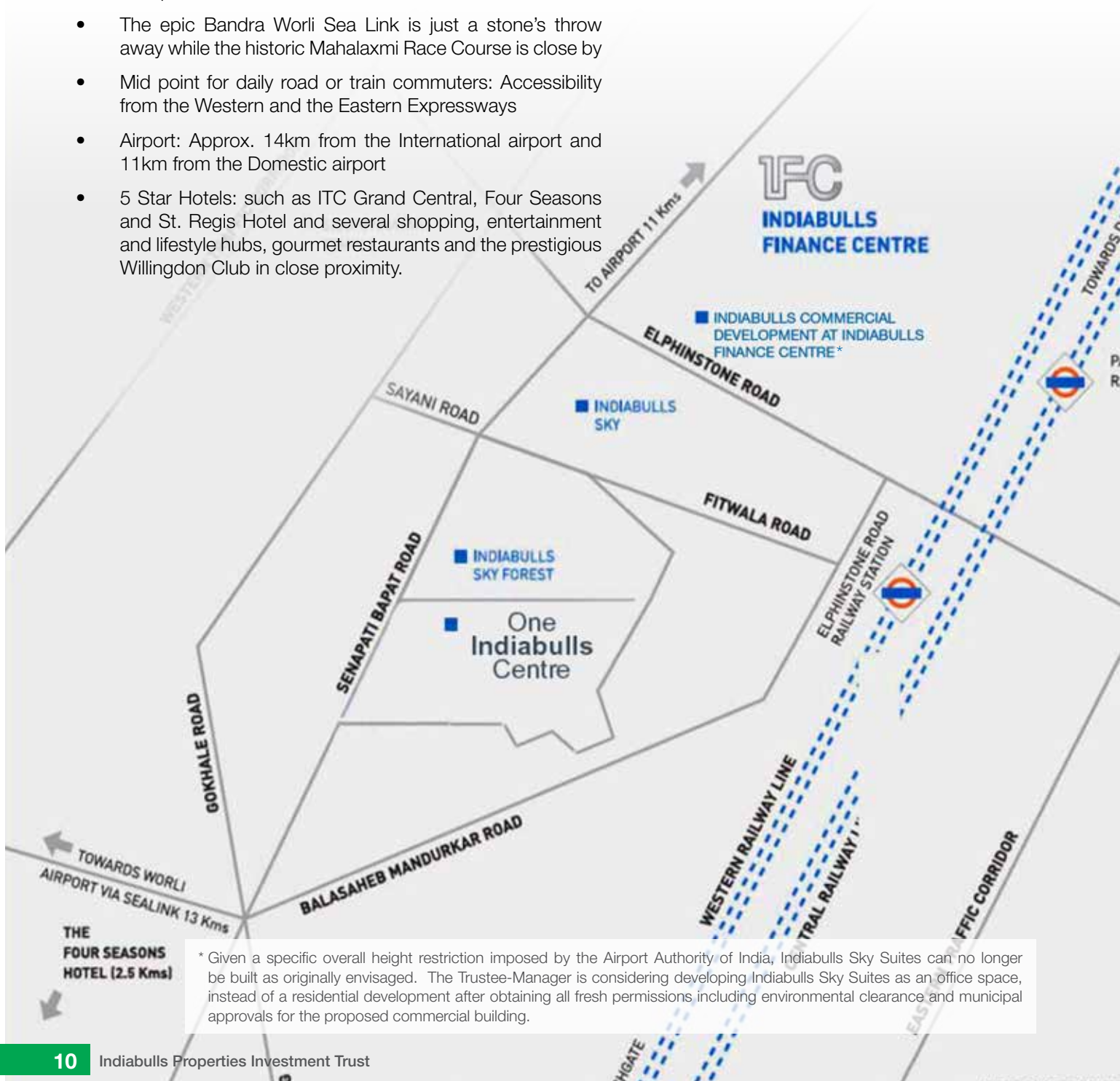
THE SPONSOR

Sponsor of IPIT - Indiabulls Real Estate Limited
("IBREL" or the "Sponsor")

- One of the largest listed property developer having ongoing projects with total area of 33.6 million sq ft and planned projects with total area of 5.6 million sq ft.
- Full-scale real estate expertise from real estate development and construction to maintenance and management of residential, commercial, retail and infrastructure assets.
- Experienced management with strong capabilities and relationships, and in-depth knowledge of the industry.

STRATEGIC LOCATION

- Strategically located in the heart of the commercial hub of Central Mumbai Central Business District (CBD)
- Equidistant from Nariman Point CBD and Bandra-Kurla Complex CBD
- The epic Bandra Worli Sea Link is just a stone's throw away while the historic Mahalaxmi Race Course is close by
- Mid point for daily road or train commuters: Accessibility from the Western and the Eastern Expressways
- Airport: Approx. 14km from the International airport and 11km from the Domestic airport
- 5 Star Hotels: such as ITC Grand Central, Four Seasons and St. Regis Hotel and several shopping, entertainment and lifestyle hubs, gourmet restaurants and the prestigious Willingdon Club in close proximity.





NOTE TO UNITHOLDERS

Dear Unitholders

On behalf of the Board of Directors (the “Board”) of Indiabulls Property Management Trustee Pte. Ltd., the trustee-manager of Indiabulls Properties Investment Trust (the “Trustee-Manager”), we present Indiabulls Properties Investment Trust’s (“IPIT or the “Trust”) annual report for the year ended 31 March 2017 (“FY2017”).

Market Conditions

The past year has been challenging for businesses in the Indian property market, with many political and financial upheavals shaking consumer and investor confidence. The Indian economy remains saddled by persistent problems, which include high bad debts in the banking sector and elevated lending rates.

The outlook for global growth also remains uncertain. The new US administration and the effect of their policies on India remain to be calibrated. There are also a large number of events causing geopolitical instability such as Brexit, European elections, tension on the Korean Peninsula and in the South China Seas. Even without further escalation, such events are likely to weigh heavily on consumer confidence in the year ahead.

On 8 November 2016, the Indian Prime Minister made a shock announcement that all 500 and 1,000 Rupee notes would cease to be legal tender (“demonetisation”) from 9 November 2016 onwards. Such a move is without precedent in the history of India. The effect of the withdrawal of these notes, accounting for 86% of all currency in circulation, on the Indian economy in general and the property sector in particular was profound and extremely negative. Impacting at a time when the property

sector was already suffering from sluggish demand and an overhang of supply, the short to medium term effect on the Indian property sector, including IPIT properties, is likely to be adverse.

Development Update

On 27 February 2017, IPIT was informed that the Airport Authority of India has rejected the top permissible height of 327 metres applied for Indiabulls Sky Suites and has ruled that it can no longer exceed 163 meters. Such a ruling was unexpected by the Trustee-Manager, as in its neighbouring properties, IPIT had received permissions to build up to 265 meters for Indiabulls Sky Forest and up to 264 meters for Indiabulls Sky. Such ruling had a materially adverse effect on the total area that could be built on the site.

In light of the above and following due consideration to multiple designs and end use of the space (residential versus office), IPIT’s consultants (including architects, structural experts among other consultants) have advised that due to the recent height restriction imposed by the Airport Authority of India, an office scheme at the Sky Suites site would be more appropriate from the perspective of optimum utilisation of Floor Space Index (“FSI”) of Sky Suites.

Consequently, the Trustee-Manager is considering developing Sky Suites as an office space, instead of a residential development. 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 Trustee-Manager's current intention is to develop Sky Suites as an office development. While the plans are still being finalised and are subject to change, it is estimated that the development will comprise the construction of approximately 790,000 sq ft of office space and that it will take approximately three years to finish construction on the building after obtaining all fresh permissions including environmental clearance and municipal approvals for the proposed commercial building. The Trustee-Manager intends to work closely with the relevant authorities to mitigate the risk that the required permissions may not be obtained.

Valuation Update

The Trustee-Manager engaged Knight Frank India Private Ltd., an independent valuation firm, to conduct a valuation of investment properties and development properties as at 31 March 2017. Their report, dated 26 April 2017 valued these properties at approximately S\$2.1 billion as at 31 March 2017 (31 March 2016: S\$ 2.2 billion).

Please note due to overall height restriction imposed by the Airport Authority of India resulting in material loss of area in conjunction with lower price realisation resulted in impairment loss of S\$577 million during the year. As such, the net asset value per Unit of the group was \$1.27 as at 31 March 2017, as compared to \$1.63 per unit as at 31 March 2016.

Listing Status

Following the mandatory conditional cash offer on 27 April 2016, Indiabulls Real Estate Limited and its concert parties owned or controlled 414,306,203 Units, representing approximately 54.95% of issued Units. Taking into account the number of Units that the other controlling

shareholder has an interest in, the number of Units held by the public is approximately 2.38%. This is below the minimum public float requirement of 10% set out in the SGX-ST Listing Manual and accordingly, trading in the Units has been suspended by the SGX-ST since 23 June 2016.

Trust Performance

Net Property Income was S\$64.9 million as compared to S\$63.9 million in the previous financial year.

Acknowledgements

We extend our sincere appreciation to our Board of Directors for their guidance, and to our management and staff for their dedication and invaluable contributions in what has been a challenging year. We also thank our Unitholders, tenants, business partners and investors for their unwavering support and confidence in the Trust.

Gurbachan Singh

Chairman &
Independent Director

Pankaj Thukral

Chief Executive Officer

Indiabulls Property Management Trustee Pte.Ltd.

(As trustee-manager of Indiabulls Properties Investment Trust)

Date: 16 June 2017

BOARD OF DIRECTORS



Mr Gurbachan Singh

Chairman & Independent Director

Date of appointment as a Director of the Trustee-Manager: 1 April 2014

Mr Gurbachan Singh serves as the Chairman of the Board of the Trustee-Manager and Member of the Audit Committee.

Mr Singh is a founding partner of GSM Law LLP, a boutique law firm specialising in Tax, Trust and Private Client matters. He was formerly the Managing Partner of a large Singapore Law Firm from where he retired in December 2013. Mr. Singh is regarded as one of Singapore's leading tax lawyers and is consistently ranked highly in legal publications such as Who's Who Legal, Asia Legal Business and PLC Which Lawyer. In February 2012, Mr. Singh was presented the 'George Tasker Outstanding Achievement Award' by UK Society of Trust and Estate Practitioners (STEP) for his exceptional and outstanding contributions to the Society above and beyond that normally expected of a member.

He has been actively involved in tax work for more than 35 years having started his career as a Legal Officer and a State Counsel in the then Inland Revenue Department in Singapore. His practice included tax advisory work for corporate and individual clients.

Mr. Singh is a member of the STEP. He was also a member of the Revenue Chamber of the Editorial and Research Committee of the Malaysian Institute of Taxation. He was until recently a Director of the Tax Academy of Singapore. He was also the Honorary Tax Advisor to the Real Estate Developers' Association of Singapore (REDAS).

Mr. Singh has graduated with a Bachelor of Law degree from the then University of Singapore in 1977.



Mr Sri Murali s/o Sinnothei Renganathan

Independent Director

Date of appointment as a Director of the Trustee-Manager: 1 April 2014

Mr Sri Murali serves as an Independent Director and Chairman of the Audit Committee.

As Managing Partner of a public accounting firm, he has over 32 years of experience in the area of accounting, advisory and related financial management expertise. He is also a member of the Institute of Singapore Chartered Accountants and Association of Chartered Certified Accountants (United Kingdom).

He also brings with him vast professional experience dealing with various clients in relation to accounting, audit, corporate secretarial work, compliance related matters, tax planning, advisory and other consulting assignments.

Mr. Sri Murali has earlier worked with other public accounting firms including Ernst & Young LLP and Touche Ross & Co.

BOARD OF DIRECTORS



Mr Mehul Charles Christopher Johnson

Non-Executive Director

Date of appointment as a Director of the Trustee-Manager: 15 July 2014

Mr Mehul C.C. Johnson serves as a Non-Executive Director and Member of the Audit Committee.

Mr. Johnson serves as President of Indiabulls Real Estate Limited and is responsible for a large part of its business. Mr. Johnson has been instrumental in acquiring and constructing new properties as well as marketing existing ones.

Mr. Johnson is also the founder of an infrastructure construction business where he successfully executed several prestigious projects by leading institutions, including National Highway Authority of India and Prime Minister's Rural Road Development Scheme. He has more than 15 years of experience in the hotel business.

Mr Johnson brings with him vast experience in infrastructure construction business, hotels and acquisition, development and marketing of real estate.

He graduated from Punjab University (India) with a degree in Economics.



Ms Savita Singh

Independent Director

Date of appointment as a Director of the Trustee-Manager: 12 August 2014

Ms Savita Singh serves as an Independent Director.

Ms Savita Singh is a partner with the Real Estate team at Khaitan & Co LLP and is experienced in all kinds of property transactions, hospitality transactions, litigations arising out of property transactions and allied matters.

Ms Singh's experience includes drafting real estate transactional documents like Agreements for Sale, Sale Deeds, Lease Deeds, Development Agreements, General and Special Powers of Attorney, Business Conducting Agreements, Business Centre Agreements, Leave & License Agreements, Tenancy Agreements, Deeds of Indemnity, Declarations, Affidavits, Deeds of Transfer of Flats and Apartments, Trust Deeds, Release Deeds, Gift Deeds and other deal documentation; general Real Estate advisory work; due diligence of properties; handling litigations arising out of property transactions; and allied matters.

Ms Singh has advised various owners, buyers, developers, corporate houses, individuals, domestic investors and foreign investors regarding transactions related to immovable properties and various issues related thereto including structuring. In addition to drafting the documents, Ms Singh is also experienced in negotiating the same.

Ms Singh has also advised on Real Estate transactions in respect of commercial / retail complexes, multiplexes, hotels, redevelopment projects, serviced apartments, Special Economic Zones, Information Technology / Information Technology Enabled Services Parks and also Integrated Township Projects. She also regularly advises on Hotel Management Contracts.

Ms. Singh is a post graduate in English Literature from Kurukshetra University, Kurukshetra (Haryana) and a Law Graduate from Mumbai University, Mumbai.

Ms Singh has professional affiliations with Bar Council of Maharashtra and Goa.

BOARD OF DIRECTORS



Mr Kubeir Khera

Non-Executive Director

Date of appointment as a Director of the Trustee-Manager: 14 April 2015

Mr Kubeir Khera serves as a Non-Executive Director.

Mr Kubeir Khera serves as Executive Vice President of Indiabulls Real Estate Limited and is currently head of sales and marketing. Mr. Khera has been instrumental in conceptualising and implementing the marketing and branding strategy of the group across different verticals over the last seven years. In current assignment, Mr Khera is directly driving business for Indiabulls flagship properties and has been credited with successfully launching new projects and extensions of ongoing projects. Mr. Khera has successfully led a team of professionals to achieve high sales volumes under very challenging environments for the real estate sector.

Mr Khera is an experienced marketing executive with over nine years of marketing, branding and media experience across advertising, financial services and real estate sectors. Prior to joining Indiabulls, Mr. Khera was responsible for business development and communication planning deployment for FCB & McCann Worldgroup.

Mr Khera holds a Masters degree in Business Administration in marketing and a Bachelor's degree in electronics & communication engineering.

KEY MANAGEMENT PERSONNEL



Mr Pankaj Thukral

Chief Executive Officer

Mr. Thukral is the Chief Executive Officer of the Trustee-Manager.

Before being appointed as Chief Executive Officer, Mr. Thukral was Chief Financial Officer of the Trustee-Manager for over 4 years and is a long serving member of the Indiabulls Real Estate Group with extensive experience in the financial and management aspects of real estate in India. Before joining the Trustee-Manager, Mr. Thukral was the Vice President - Finance of Indiabulls Real Estate Limited. Mr Thukral was responsible for overseeing the financial and operational aspects related to the construction of the properties which form IPIT's initial asset portfolio. Mr Thukral has also worked with KPMG (a global accounting and consulting firm) for more than 7 years in their India and London offices. He has significant experience and knowledge in implementing methodologies and practices on audit and transaction advisory, with thorough experience in the audit of multinational organisations and reportings under US, UK and International Generally Accepted Accounting Principles ("GAAP"). He also gained significant international experience working on UK GAAP and IFRS engagements. Mr Thukral is a highly qualified professional with more than 15 years of work experience in senior roles in India, United Kingdom and Singapore. As part of the selected team from India as a global emerging leader in KPMG, and as part of the leadership development programme, he was sent to the London office on secondment. In total, he has more than 17 years of work experience and has demonstrated excellent understanding of the business and general management skills along with financial acumen.

Mr Thukral has been a Member of the Institute of Chartered Accountants of India since 2000. He also holds a Bachelor of Commerce degree from Delhi University.

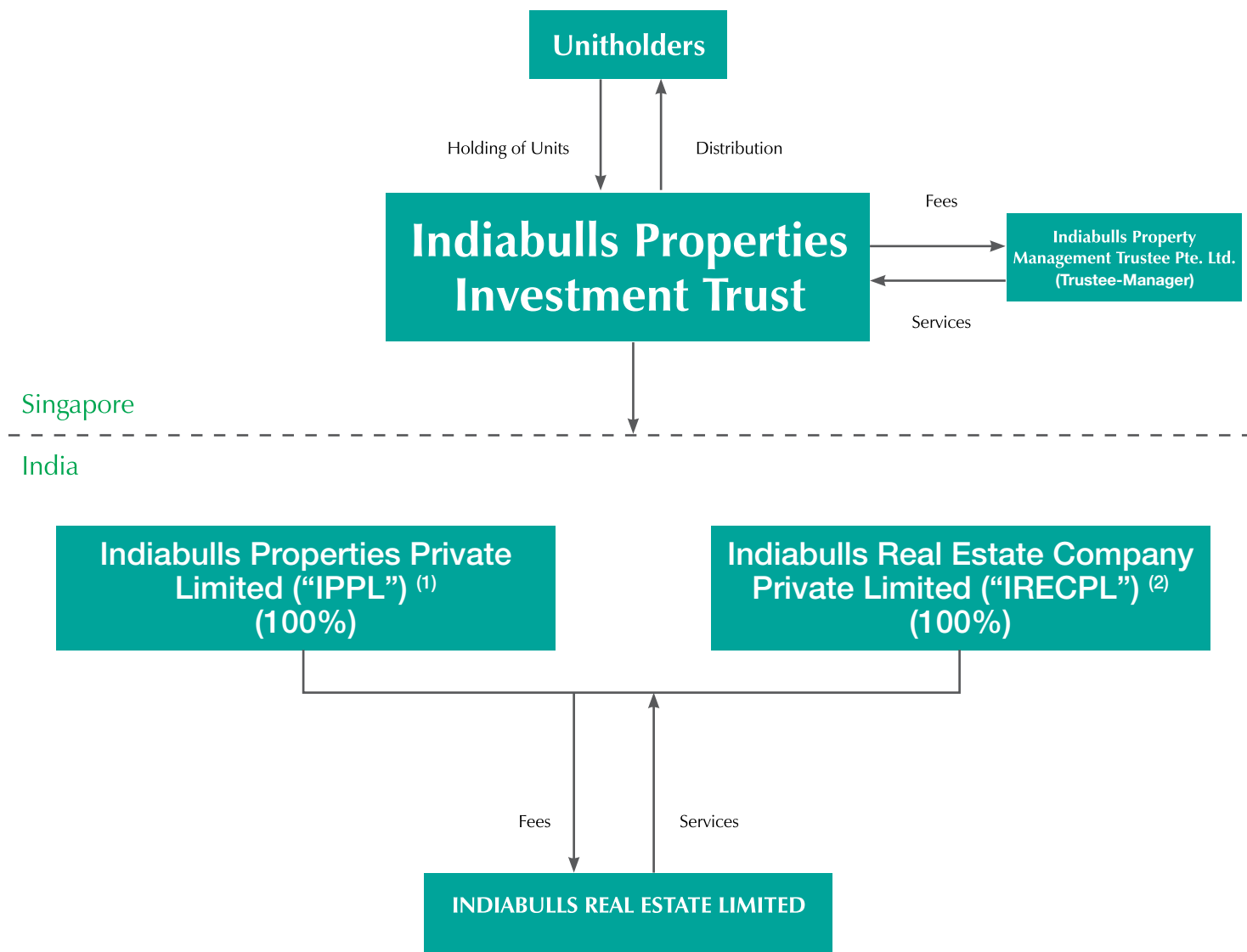
A bronze sculpture of a muscular man in a handstand position, supporting a large globe with a wireframe grid and a map of the world. The sculpture is on a black circular base in a modern building with large glass windows and palm trees visible outside.

ATLAS 2.0

Sculpture by Lorenzo Quinn

Actual picture of One Indiabulls Centre

STRUCTURE OF INDIABULLS Properties Investment Trust



IPIT has infused capital in IPPL and IRECPL through its wholly-owned subsidiaries.

¹ IPPL - Developer of One IBC, Indiabulls Sky and Indiabulls Sky Forest

² IRECPL - Developer of IFC and Indiabulls Commercial Development at Indiabulls Finance Centre, Mumbai*

* Given a specific overall height restriction imposed by the Airport Authority of India, Indiabulls Sky Suites can no longer be built as originally envisaged. The Trustee-Manager is considering developing Indiabulls Sky Suites as an office space, instead of a residential development after obtaining all fresh permissions including environmental clearance and municipal approvals for the proposed commercial building.

OPERATING AND FINANCIAL REVIEW

MAJOR BALANCE SHEET ITEMS

	31 March 2017	31 March 2016
	S\$(Million)	
Total assets	2,561.6	2,749.5
Total liabilities*	1,601.9	1,518.2
Net assets attributable to unitholders of IPIT ("Unitholders")	959.7	1,231.2
Net asset value per unit (cents)	127.28	163.28

MAJOR INCOME STATEMENT ITEMS

	1 April 2016 to 31 March 2017	1 April 2015 to 31 March 2016
	S\$(Million)	
Property income - Base rent	97.4	90.5
Revenue from sales of development properties	86.9	–
Total income	197.8	103.5
Net property income	64.9	63.9
Loss before tax	(537.4)	(3.9)
Profit/ (loss) for the year	(343.1)	1.0

* Includes total borrowings of S\$865.9 million (2016: S\$595.3 million)

OPERATING AND FINANCIAL REVIEW

Financial Review

IPIT earned S\$97.4 million of rental income in the financial year ended 31 March 2017 from the commercial component of the properties comprising One Indiabulls Centre and Indiabulls Finance Centre. Net property income for the financial year ended 31 March 2017 was S\$64.9 million. Out of the total area of 3.3 m sq ft (at One Indiabulls Centre and Indiabulls Finance Centre), 3.1 million sq. ft. has been leased out at an average rental of approximately Rs.147 per sq. ft. per month (March 2016 - approximately 2.8 million sq. ft. leased out at an average rental of approximately Rs.144 per sq. ft. per month).

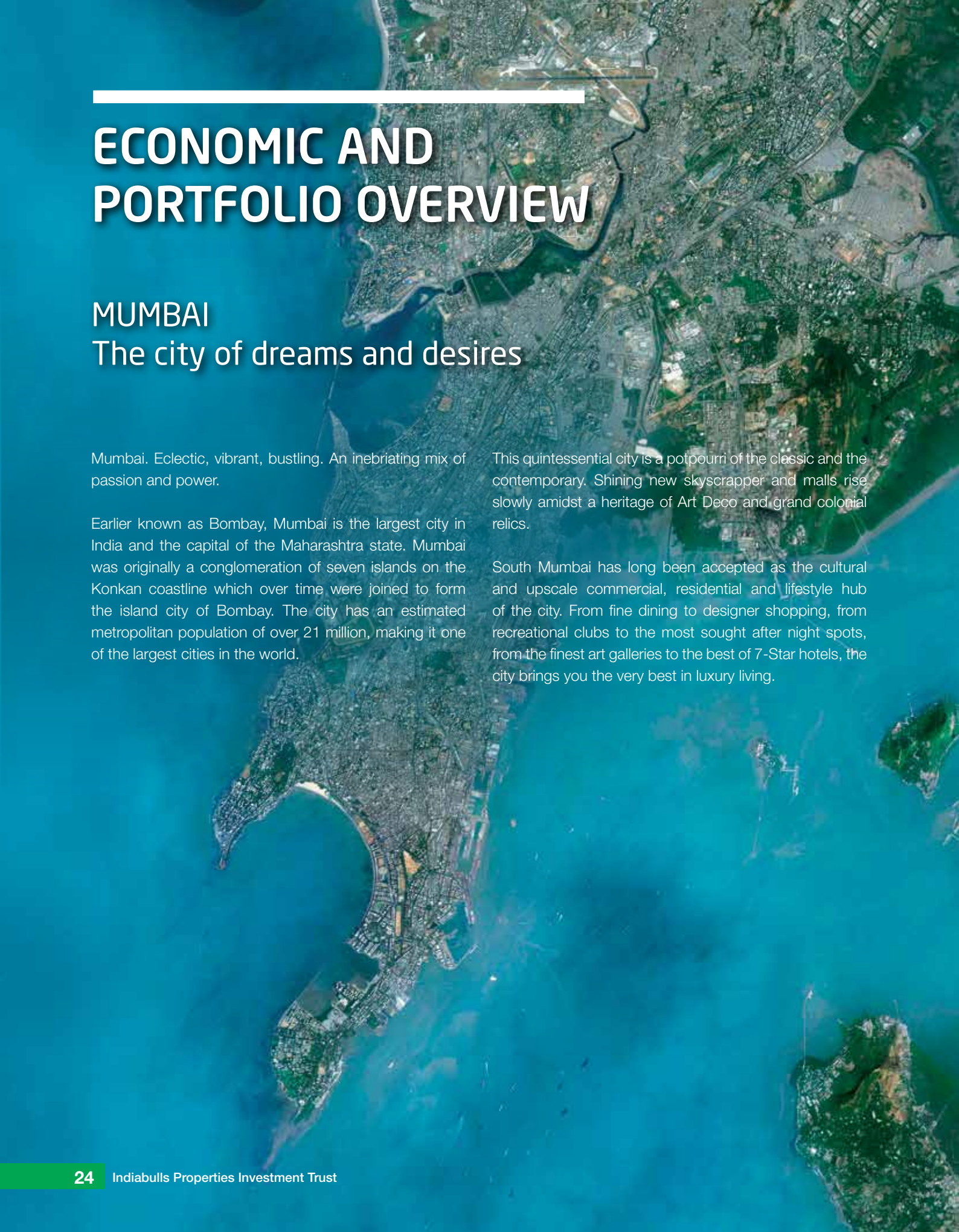
Development update

On 27 February 2017, IPIT was informed that the Airport Authority of India has rejected the top permissible height of 327 metres applied for Indiabulls Sky Suites and has ruled that it can no longer exceed 163 meters. Such a ruling was unexpected by the Trustee-Manager, as in its neighbouring properties, IPIT had received permissions to build up to 265 meters for Indiabulls Sky Forest and up to 264 meters for Indiabulls Sky. Such ruling had a materially adverse effect on the total area that could be built on the site.

In light of the above and following due consideration to multiple designs and end use of the space (residential versus office), IPIT's consultants (including architects, structural experts among other consultants) have advised that due to the recent height restriction imposed by the Airport Authority of India, an office scheme at the Sky Suites site would be more appropriate from the perspective of optimum utilisation of Floor Space Index ("FSI") of Sky Suites. This is because offices, unlike residential spaces, allow the use of large uninterrupted floor plates. There are also several planning restrictions for residential developments 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 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.

Consequently, the Trustee-Manager is considering developing Sky Suites as an office space, instead of a residential development. 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 Trustee-Manager's current intention is to develop Sky Suites as an office development. While the plans are still being finalised and are subject to change, it is estimated that the development will comprise the construction of approximately 790,000 sq ft of office space and that it will take approximately three years to finish constructions on the building after obtaining all fresh permissions including environmental clearance and municipal approvals for the proposed commercial building. The Trustee-Manager intends to work closely with the relevant authorities to mitigate the risk that the required permissions may not be obtained.

An aerial photograph of Mumbai, India, showing the city's coastline, islands, and urban development. The city is densely packed with buildings and infrastructure, with a prominent coastline along the Arabian Sea. The image is used as a background for the report.

ECONOMIC AND PORTFOLIO OVERVIEW

MUMBAI

The city of dreams and desires

Mumbai. Eclectic, vibrant, bustling. An inebriating mix of passion and power.

Earlier known as Bombay, Mumbai is the largest city in India and the capital of the Maharashtra state. Mumbai was originally a conglomeration of seven islands on the Konkan coastline which over time were joined to form the island city of Bombay. The city has an estimated metropolitan population of over 21 million, making it one of the largest cities in the world.

This quintessential city is a potpourri of the classic and the contemporary. Shining new skyscraper and malls rise slowly amidst a heritage of Art Deco and grand colonial relics.

South Mumbai has long been accepted as the cultural and upscale commercial, residential and lifestyle hub of the city. From fine dining to designer shopping, from recreational clubs to the most sought after night spots, from the finest art galleries to the best of 7-Star hotels, the city brings you the very best in luxury living.

ECONOMIC AND PORTFOLIO OVERVIEW

On 8 November 2016, the Indian Prime Minister announced that all 500 and 1,000 Rs notes, which accounted for 86% of the currency in circulation, would cease to become legal tender from 9 November 2016 onwards (“demonetisation”). The demonetisation is unprecedented in the history of India and has produced an adverse effect on the Indian economy in general and the property sector in particular. Market sentiment has deteriorated significantly and the Trustee-Manager does not anticipate any near term pick up. The office and the residential property sectors in India had already been sluggish prior to the demonetisation, with less demand and greater supply. These developments are likely to have an adverse effect in the short to medium term in the Indian property sector, including IPIT properties.

RESIDENTIAL MARKET

As per Knight Frank India Real Estate - India July to December 2016¹ (Extract only)

- The announcement of demonetisation of high value currency notes on 8 November 2016 disrupted market sentiment and accordingly a major dent on the residential market came in Q4 2016, which saw sales plunge by 50% to 8,617 units. The magnitude of decline in launches was larger at 77% to 2,617 units.
- Amongst all the micro-markets, the premium markets of South Mumbai and Central Mumbai* took the biggest hit whereas Thane and Peripheral Central Suburbs were relatively better off. The premium markets of South Mumbai and Central Mumbai* were the worst hit with sales recorded lower by 54% and 41% respectively in H2 2016 compared to H2 2015.
- The quarters to sell unsold inventory (QTS) is the number of quarters required to exhaust the existing unsold inventory in the market. The existing unsold inventory is divided by the average sales velocity of the preceding eight quarters in order to arrive at the QTS number for that particular quarter. A lower QTS indicates a healthier market. Even while the premium markets of South Mumbai and Central Mumbai* contribute to just about 4% of the unsold inventory, they face the worst QTS of 15 and 17 respectively. Similarly, their age of inventory at around 16 quarters is also the highest across the city.
- Residential property prices in Mumbai are witnessing a time correction since the last two years. The demonetisation decision has further fuelled consumer expectation of price cuts. However, no across the board price cuts have been recorded in the market. In case of an under-construction project, price reduction disturbs equation with existing buyers and investors. Hence, most cases have reported to offer indirect discounts by waiving stamp duties and registration charges. Instance of free gifts in the form of gold and consumer appliances or liberal financing plan, where a buyer pays only 5% upfront and remaining on possession, have become a widespread phenomenon. Price protection plan is offered to prospective consumers to assuage concerns in the event of a price decline.

¹ Source: **Knight Frank India Real Estate** - India July to December 2016 Knight Frank India Pvt. Ltd. has not provided its consent, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Trustee-Manager has taken reasonable actions to ensure that the information from the relevant report published by Knight Frank India Pvt. Ltd. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Trustee-Manager or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

* Central Mumbai micro market includes Lower Parel where IPIT properties are located

ECONOMIC AND PORTFOLIO OVERVIEW

OFFICE MARKET

As per Knight Frank India Real Estate - India July to December 2016² (Extract only)

- For the latest half year i.e. H2 2016, Mumbai's office market saw a decline in both the critical indicators viz. new completion and transactions. While new completion at 1 mn sq ft was lower by 73%, transactions dipped by 34% to 3.3 mn sq ft in H2 2016 compared to same period last year.
- Over the past few years, developers shunned office developments plans in favour of residential developments, which is now reflecting on the decline in new completion. Vacancy level has come down from 21.6% in H2 2015 to 19.6% in H2 2016. With quality office building for large requirements in short supply, occupiers are looking for built to suit options. Prime office markets like BKC and Central Mumbai* have high occupier interest but embrace vacancy level of less than 2%.
- Overall, taking cues from shrinking new completions and lower vacancy level, office rents are inching upwards. BKC and Central Mumbai* have rental level higher by 6% in H2 2016 over H2 2015 followed by SBD West at 5%.

² Source: **Knight Frank India Real Estate** - India July to December 2016 Knight Frank India Pvt. Ltd. has not provided its consent, to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information. While the Trustee-Manager has taken reasonable actions to ensure that the information from the relevant report published by Knight Frank India Pvt. Ltd. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the Trustee-Manager or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

* Central Mumbai micro market includes Lower Parel where IPIT properties are located



Actual picture of grand quadruple-height lobby of Indiabulls Sky

IPIT Portfolio of Premier Properties

IPIT's portfolio consists of:

■ Prime office development properties

- One Indiabulls Centre
- Indiabulls Finance Centre
- Indiabulls Commercial Development at Indiabulls Finance Centre, Mumbai*
- Approximately 4.1 million sq. ft.

■ Premium luxury residential development properties

- Indiabulls Sky
- Indiabulls Sky Forest
- Approximately 2.0 million sq. ft.

* Given a specific overall height restriction imposed by the Airport Authority of India, Indiabulls Sky Suites can no longer be built as originally envisaged. The Trustee-Manager is considering developing Indiabulls Sky Suites as an office space, instead of a residential development after obtaining all fresh permissions including environmental clearance and municipal approvals for the proposed commercial building.

ECONOMIC AND PORTFOLIO OVERVIEW

ONE INDIABULLS CENTRE

One Indiabulls Centre (One IBC) is the first high-end commercial development of its kind in Mumbai's thriving central business district. It is strategically located between Nariman Point and Bandra-Kurla Complex. It is also the proud recipient of the CNBC award for "Best Commercial Property in India".

One IBC is an architectural delight created by Hafeez Contractor and Anupam De. The immensely talented duo share credit for being able to envision the management's rousing ambition to develop Mumbai's first truly international business hub. One IBC seamlessly integrates function and design.

One IBC offers lavish multi-storey high atriums appointed with exquisite stone, chic finishes, and awe-inspiring installations as well as exceptional facilities that include concierge desks, travel desks, a coffee

shop, fully equipped gym with private training studio, express and fine dining options and an expansive basement car park.

One IBC has cutting edge telecommunications systems with access to intranet service from any location within the complex as well as high-tech meeting, conference and audio-visual rooms. It also offers 100% power back-up to prevent workflow interruptions as well as centralised building and traffic management systems to offer a strong sense of security at all times.

The building has large and flexible floor plates to allow tenants to create space that suits their company's needs and work flow. The architecture of the building is a sustainable design which aims to conserve energy and other natural resources.



Actual picture of One Indiabulls Centre

ECONOMIC AND PORTFOLIO OVERVIEW

INDIABULLS FINANCE CENTRE

Located between Nariman Point and Bandra-Kurla Complex, IFC is a plush business centre set to spectacularly transform Mumbai's skyline.

Quality is the focus of all aspects of design and construction, as well as the spectrum of facility services, such as elevators, air conditioning, power back-up, security systems and high-end finishing material.

The buildings have been designed with considerations of energy conservation and efficiency maximisation with regard to every aspect of building operations. This includes sewage treatment plant for effective waste management and water recycling as well as an extensive rain water harvesting system to prevent loss of water run off and over burdening the city storm water system.

Large and flexible spaces allow tenants to fashion their dream office space, whether it is to consolidate operations currently spread across Mumbai, solidify a new presence in the city, or simply upgrade their businesses by establishing a centralised office.

Parking has been systematically planned to ease traffic circulation throughout. Parking ramps lead to the basement with various levels of parking.

The building generates less waste, consumes less power and resources and provides healthier spaces for occupants, as compared to a conventional building.



Actual picture of Indiabulls Finance Centre

ECONOMIC AND PORTFOLIO OVERVIEW

- Indiabulls Commercial Development at Indiabulls Finance Centre, Mumbai

Considering specific overall height restriction imposed by the Airport Authority of India, Indiabulls Sky Suites can no longer be built as originally envisaged. The Trustee-Manager is considering developing Sky Suites as an office space, instead of a residential development after obtaining all fresh permissions including environmental clearance and municipal approvals for the proposed commercial building.

- Premium luxury residential developments - Being developed for sale
 - *Indiabulls Sky*
An iconic tower that offers an unprecedented lifestyle, elevated to the sky. Indiabulls Sky has been completed.
 - *Indiabulls Sky Forest*
Conceived as the city's most extravagant address, it is an exclusive development of managed private residences rising up to the sky.



Actual picture of Indiabulls Sky

ECONOMIC AND PORTFOLIO OVERVIEW

- Development properties include Indiabulls Sky and Indiabulls Sky Forest
- Investment properties include One IBC, IFC and Indiabulls Commercial Development at Indiabulls Finance Centre, Mumbai *

Statistics

	Development properties	Investment properties
Land Tenure / Stake	Freehold / 100% Owned	Freehold / 100% Owned
Approximate Area (Sq Ft)	2.0 million	4.1 million
Fair Value ¹ (\$\$)	714 million	1,422 million

¹ As per property valuation as at 31 March 2017 conducted by Knight Frank India Pvt. Ltd., an independent valuer.

* Given a specific overall height restriction imposed by the Airport Authority of India, Indiabulls Sky Suites can no longer be built as originally envisaged. The Trustee-Manager is considering developing Indiabulls Sky Suites as an office space, instead of a residential development after obtaining all fresh permissions including environmental clearance and municipal approvals for the proposed commercial building.

BUILT ON
FOUNDATIONS
THAT STAND THE
TEST OF TIME.

Actual picture of One Indiabulls Centre

RISK MANAGEMENT

The key aspects of IPIT's capital and risk management strategy are as follows:

To adopt a proactive interest rate management strategy

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Trustee-Manager reviews the interest rate strategies to minimise interest rate risk by taking into account the cash flow forecasts, terms of debt obligations and market outlook.

To manage the foreign exchange exposure

The Group's principal operating currency is the Indian Rupee ("INR") and substantially all of its income and expenditure are expected to be denominated in INR. All monies returned to IPIT's unitholders ("Unitholders") and the reported net asset value of the Trust will be denominated in Singapore Dollars. Consequently, the Group's performance and dividend distribution will be subject to the effect of exchange rate fluctuations with respect to the currencies in which its income and expenditure are denominated.

In addition, the Group is exposed to currency translation risk on net assets in foreign operations.

Where feasible and, as appropriate, the Group intends to finance assets using local currency denominated financing.

Development Risk

Consistent with risks faced by the development of any property in India, the development of the Trust's properties involves various risks, including construction, regulatory, financing risks as well as risks that building permits, government consents or other approvals required from third parties in connection with the development and letting/sale of the properties may be delayed or may not be granted. The Trustee-Manager shall continue to monitor the development of the Trust's properties in order to mitigate and address these risks.

Liquidity Risk

The Group manages its liquidity risk by maintaining a sufficient level of cash and cash equivalents and having an adequate amount of available credit facilities that are deemed adequate by management to finance the Group's operations including servicing of financial obligations and to mitigate the effects of fluctuations in cashflow.

As at the date of this report, the Group through its wholly-owned subsidiaries in India has access to an adequate amount of irrevocable credit facilities.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligation. The Group's and the Trust's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Trust minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group trades with recognised and creditworthy third parties. As at 31 March 2017, the top three tenants contributed to 20 percent (2016: 20 percent) of the property income. It is the Group's policy that all the tenants who intend to take up space in the properties give a security deposit which remains with the Group for the term of the lease. The Group monitors receivable balances on an ongoing basis.

Capital Management

The Trustee-Manager aims to formulate plans for equity and debt financing for the Group's property acquisitions, property development, distribution payments, expense payments and property maintenance payments. The Trustee-Manager will periodically review the Group's total borrowings and modify the policy as its management deems prudent in light of prevailing market conditions. Its strategy will generally be to match the maturity of its indebtedness with the maturity of its investment assets.

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholders' value. The Trustee-Manager is always in the process of evaluating various sources of funding and other means of effective capital management for IPIT. In making its evaluation, the Trustee-Manager will take into account the financial requirements of IPIT and market conditions to continue to build a solid foundation for long term success and shareholder value maximisation.

IPIT has voluntarily adopted and incorporated in the Trust Deed that for the period commencing from 31 March 2010 and for so long as property funds are subject to borrowing limits under Appendix 2 of the Code on Collective Investment Schemes issued by the MAS (the "Property Funds Appendix") the Aggregate Leverage (as defined in the Property Funds Appendix) of the Trust shall not exceed 35.0% (or such higher percentage limit¹ as may be permitted under the Property Funds Appendix) (the "Primary Permitted Gearing Limit") of the value of the Trust Property provided that the Aggregate Leverage of the Trust may exceed the Primary Permitted Gearing Limit of up to a maximum of 60.0% (or such higher percentage limit as may be permitted under the Property Funds Appendix) of the value of the Trust Property only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The Trust shall continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds the Primary Permitted Gearing Limit.

¹ With effect from 1 January 2016, MAS revised Property Fund Appendix to adopt on Aggregate Leverage Limit of 45%.

CORPORATE GOVERNANCE

Indiabulls Properties Investment Trust (“IPIT” or the “Trust”) is a Business Trust (“BT”) constituted under the Business Trusts Act, Chapter 31A of Singapore (the “BTA”) and is listed on the main board of Singapore Exchange Securities and Trading Limited (the “SGX-ST”). IPIT is principally regulated by the following:

- (a) The Securities and Futures Act, Chapter 289 of Singapore (“SFA”)
- (b) The BTA
- (c) The Listing Manual of SGX-ST (the “Listing Manual”)
- (d) The Trust Deed

Without prejudice to the restrictions and requirements in the BTA and the Listing Manual, IPIT has voluntarily elected to adopt and has incorporated into its Trust Deed the following provisions:

1.
 - (a) IPIT may not carry on any principal activities other than the authorised businesses and of which at least 75.0% of the value of its Trust Property shall be invested in real estate;
 - (b) IPIT has adopted a threshold similar to that set out under the Property Funds Appendix¹, that is, the Aggregate Leverage (as defined in the Property Fund Appendix) of IPIT shall not exceed the Primary Permitted Gearing Limit, provided that the Aggregate Leverage may exceed the Primary Permitted Gearing Limit of up to a maximum of 60.0% (or such higher percentage limit as may be permitted under the Property Funds Appendix) of the value of IPIT’s Trust Property only if a credit rating of the property fund from Fitch Inc., Moody’s Investors Service Inc., or Standard and Poor’s Rating Services is obtained and disclosed to the public; and
 - (c) limiting IPIT’s investments to permissible investments, similar to those specified under the Property Funds Appendix.

IPIT is externally managed by Indiabulls Property Management Trustee Pte. Ltd. (“IPMT” or the “Trustee-Manager”) and accordingly, it has no personnel of its own. The Trustee-Manager appoints experienced and well-qualified management personnel to handle the day-to-day operations and it is the Trustee-Manager, not IPIT, which remunerates all Directors of the Trustee-Manager and employees of the Trustee-Manager.

The Trustee-Manager has the dual responsibility of safeguarding the interests of the Unitholders of the Trust and managing the business conducted by the Trust. The Trustee-Manager’s Board of Directors (the “Board”) and Management of the Trustee-Manager are committed to ensure that sound corporate governance policies and processes are in place to protect the interests of Unitholders.

This report describes the Trustee-Manager’s main corporate governance policies and practices in reference to the BTA and the Code of Corporate Governance issued on 2 May 2012 by the Monetary Authority of Singapore (the “Code”) where applicable, and explanations have been provided where the principles and guidelines of the Code have not been adhered to.

¹ **Compliance with this threshold does not mean that there is compliance with the Property Funds Appendix as a whole.**

THE BOARD'S CONDUCT OF AFFAIRS

The Board is responsible for the overall corporate governance of the Trustee-Manager including establishing goals for the Management of the Trustee-Manager and monitoring the achievement of these goals. The Trustee-Manager is responsible for the strategic business direction and risk management of IPIT.

The Key Roles Of The Board Are To:

- (i) guide the corporate strategy and directions of the Trustee-Manager;
- (ii) review and consider the recommendations of the Investment Advisory and Asset Management Team in relation to the investment and asset management of IPIT;
- (iii) ensure that the senior management of the Trustee-Manager discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- (iv) identify key stakeholder groups and recognise that their perceptions affect the Trustee-Manager's reputation;
- (v) set the Trustee-Manager's values and standards and ensure that obligations to shareholders and other are understood and met;
- (vi) oversee the proper conduct of the Trustee-Manager; and
- (vii) consider sustainability issues, eg. environmental and social factors, as part of its strategic formulation.

All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and appointment of Directors. The Board has established a framework for the Management of the Trustee-Manager and IPIT, including a system of internal controls and a business risk management process.

The Trustee-Manager has in place internal procedures for matters that require Board approval. The Board will review management reports and feasibility studies on individual development projects prior to approving major transactions. The Trustee-Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Trustee-Manager and IPIT. In assessing business risk, the Board will consider the economic environment and risks relevant to the property industry. Management will meet regularly to review the operations of the Trustee-Manager and the Trust and discuss any disclosure issues. The Board is supported by the Audit Committee ("AC") to assist it in discharging its responsibilities. The Board meets to a) review the key activities and business strategies of the Trustee-Manager at least once every quarter; b) to deliberate upon all significant strategic decisions of IPIT including acquisitions and disposals; c) to review IPIT's performance and d) approve the release of the quarterly and full year results. Ad-hoc meetings are held as and when required to address any significant issues that may arise. Board meetings may be conducted via teleconferencing or video conferencing or similar communication equipment as are permitted by the Trustee-Manager's Constitution.

CORPORATE GOVERNANCE

The attendance of the Directors at Board and committee meetings for the financial year from 1 April 2016 to 31 March 2017 is set out below:

Name Of Director	Board Meeting		Audit committee Meeting	
	No. held	Attendance	No. held	Attendance
Gurbachan Singh	4	4	4	4
Sri Murali	4	4	4	4
Mehul C.C. Johnson	4	4	4	4
Savita Singh	4	3	NA	NA
Kubeir Khera	4	4	NA	NA

Note:

NA - Not Applicable

New Directors are provided with a letter of appointment setting out their duties and obligations. Upon appointment, each Director is briefed on the business activities of Indiabulls Property Management Trustee Pte. Ltd., the Trustee- Manager of IPIT and its subsidiaries (collectively, the “Group”), its history, its strategic directions and policies, the regulatory environment in which the Trust operates and the Trustee-Manager’s corporate governance practices and industry-specific knowledge so as to assimilate into their new roles. A copy of the Group’s latest annual report is provided to newly appointed Directors. They are also briefed on the policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Group, prohibition of dealings in the Trust’s securities, restrictions on the disclosure of price-sensitive information, corporate governance and risk management.

The Board members are encouraged to attend seminars and receive training regularly to improve themselves in discharging their duties as Directors at the Trustee-Manager’s expense. In addition, the Trust works closely with professionals to provide Directors with updates on risk management and key changes to relevant regulatory laws, requirements and accounting standards. The Board is updated on amendments/requirements of the SGX-ST, industry developments as well as any other statutory and regulatory requirements, where relevant, from time to time. The Chief Executive Officer (“CEO”) updates the Board at each meeting on business and strategic developments of the Group.

As part of the Trustee-Manager’s continuing education for Directors, the Company Secretary / Management circulates to the Board regulatory updates relevant to the Group’s business to keep Directors updated on current industry trends and issues. News releases issued by the SGX-ST which are relevant to Directors are also circulated to the Board and is discussed upon in regular interactions.

BOARD COMPOSITION

The BTA, read in conjunction with Regulation 12 of the Business Trust Regulations 2005, provides that the Board of the Trustee-Manager of a registered Business Trust must consist of:

- (i) at least a majority of Directors who are independent from management and business relationships with the Trustee-Manager;
- (ii) at least one-third of Directors who are independent from management and business relationships with the Trustee-Manager, and from every substantial shareholder of the Trustee-Manager; and
- (iii) at least a majority of Directors who are independent from any single substantial shareholder of the Trustee-Manager.

In addition to compliance with requirements under BTA, the composition of the Board is determined using the following principles:

- (i) the Chairman of the Board ("Board Chairman") should be a non-executive Director; and
- (ii) the Board should comprise Directors with a broad range of commercial experience including expertise in fund management and the property industry.

The Members of the Board as at the date of this report are:

Gurbachan Singh	(Chairman and independent director)
Sri Murali s/o Sinnothei Renganathan	(Independent director)
Mehul C.C. Johnson	(Non-executive director)
Savita Singh	(Independent director)
Kubeir Khara	(Non-executive director)

For the financial year ended 31 March 2017, none of the Independent Directors have served on the Board beyond 9 years from the date of his/her first appointment who is subject to particularly rigorous review. No alternate director was appointed.

Appendix 1 to this report contains the Directors' directorships and major appointments over the last 3 years.

Each Director has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of IPIT. The Directors each contribute in different ways, including using their personal networks to further the interests of IPIT. They bring with them a wide spectrum of industry skill, experience, management expertise and objective perspective to effectively lead and direct IPIT.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

CORPORATE GOVERNANCE

Currently, the Board comprises five Directors, three of whom are independent. Throughout the year, the number of Independent Non-Executive Directors of the Board fulfilled the minimum requirement of BTA. All the Board members are Non-Executive Directors. This enables the Management of the Trustee-Manager to benefit from their external, diverse and objective perspectives on issues that are brought before the Board. This also enables the Board to interact and work with the Management of the Trustee-Manager through a robust exchange of ideas and views to shape the strategic process. This, together with a clear separation of the roles of the Board Chairman and CEO, provides a healthy professional relationship between the Board and Management, with clarity of roles and robust oversight as they deliberate on the business activities of the Trustee-Manager.

Non-Executive Directors communicate with each other without the presence of the Management as and when the need arises.

The independence of each Director is reviewed by the Board upon appointment, and thereafter annually and as and when circumstances require. The Board has reviewed the independence of each Director in accordance with Regulation 12 of the Business Trusts Regulations 2005 and in accordance with guidelines set out in the Code. Based on the review the following Directors are determined to be independent:

Gurbachan Singh
Sri Murali s/o Sinnothei Renganathan
Savita Singh

Mr. Mehul C.C. Johnson and Mr. Kubeir Khera are considered Non-Independent Directors as they are employed by the Trustee-Manager or its related companies in the past three years.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Board Chairman and CEO of the Trustee-Manager are held separately by two persons in order to maintain an effective check and balance. The Board Chairman is Mr. Gurbachan Singh, who is an Independent Director and the CEO is Mr. Pankaj Thukral.

There is a clear separation of the roles and responsibilities between the Board Chairman and the CEO. The Board Chairman is responsible for the overall management of the Board as well as ensuring that the members of the Board and Management work together with integrity and competency, and that the Board engages Management in constructive debate on strategy, business operations, enterprise risk and other plans. The CEO has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Trustee-Manager and IPIT, and is responsible for implementing group strategies and policies. The CEO and Management of the Trustee-Manager are accountable to the Board.

BOARD MEMBERSHIP

The Board takes into consideration its size, experience and overall competence and expertise to determine if the Board is effective. No nominating committee has been established as it is the Trustee-Manager and not IPIT that appoints all the Directors and the Trustee-Manager is not a listed entity. Thus, the Board performs the functions that such a committee would otherwise perform, namely, it retains the responsibility for the identification, review and appointment of suitable candidates to join the Board as its members, taking into consideration the candidate's skill, experience, ability to perform, commitments, independence and the needs of the Board. The Board also reviews the independence of Board Members.

The Board does not set the maximum number of board representations which a Director may hold but Directors are required to disclose to the Trustee-Manager their interest as director and other office in other public companies and organisations in a timely manner and update the Trustee-Manager of any subsequent changes. The Board, on the basis of the above, is satisfied that the Directors have given sufficient time and attention to the affairs of the Trustee-Manager and IPIT and therefore believes that it would not be necessary to prescribe the maximum number of board representations that a Director may hold for the time being.

BOARD PERFORMANCE

The Trustee-Manager believes that Board performance is ultimately reflected in the long term performance of IPIT whether under favourable or challenging market conditions. Review of Board performance is carried out on an informal basis. The objective of such evaluation is to ensure that the AC and the Directors continue to act effectively in fulfilling the duties and responsibilities expected of them. A review of the Board's performance is undertaken informally and factors taken into consideration include attendance at meetings, contributions and performance of each individual Director and the independence of Directors.

The current review of the Board as a whole is sufficient and there does not seem to be a necessity to carry out a review of each individual Director for the time being. Individual Board members contribute through providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility by Management outside of a formal environment of the Board.

ACCESS TO INFORMATION

To keep pace with regulatory changes, where these changes have an important bearing on the Trustee-Manager's or the Directors' disclosure obligations, the Directors will be briefed either during Board meetings or at specially convened sessions involving the relevant professionals. Management will also provide the Board with complete and adequate information in a timely manner through regular updates on IPIT's financial results as well as market trends and business development involving IPIT. Directors are given unrestricted access to relevant information as well as separate and independent access to senior management. The Directors, whether individually or as a group, are also entitled to seek independent professional advice at the Trustee-Manager's expense in furtherance of their duties and in the event that circumstances warrant the same.

The Board has separate and independent access to senior management and the Company Secretary at all times. The Company Secretary attends all AC and Board meetings.

CORPORATE GOVERNANCE

The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:

- assist the Board Chairman and the Chairman of AC in the development of the agendas for the various Board and AC meetings;
- administers and attends all Board and AC meetings of IPIT and prepares minutes of meetings;
- ensuring that Board procedures are observed and that the relevant rules and regulations, including requirements of the Trust Deed, SFA and Listing Manual are complied with; and
- advising the Board on all governance matters as well as facilitating orientation and assisting with professional development as directed by the Chairman.

The Board also has access to independent professional advice where this is deemed appropriate. The AC also holds discussions with the auditors at least once a year without the presence of the CEO and Management, and has unfettered access to any information that it may require.

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

All remuneration and compensation payable to the Directors and the key executive officers in respect of services rendered to the Trustee-Manager are paid either by the Trustee-Manager or, in the case of the investment advisory and asset management team, by IPPL and IRECPL and reimbursed by the Trustee-Manager from its own account, and not out of the Trust Property.

No Remuneration Committee has been established as all the Directors and key executive officers are appointed and remunerated by the Trustee-Manager, and not the Trust. For the year ended 31 March 2017, the fee payable by Trustee- Manager to each Director was less than S\$250,000, based on their contributions and responsibilities. The Trustee- Manager has not set aside or accrued any amounts for its employees to provide for pension, retirement or similar benefits.

No compensation is payable to any Director or key executive officer in the form of options in Units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement under the service contracts. No Director or key executive officer was involved in determining his own remuneration.

ACCOUNTABILITY

The Trustee-Manager provides Unitholders with quarterly and annual financial statements as required by and within the timeframe set out in the Listing Manual. In presenting the annual financial statements and quarterly announcements to Unitholders, it is the aim of the Board to provide Unitholders with a balanced and understandable assessment of the Trust's financial position and prospects. To enable effective monitoring and decision-making by the Board, Management provides the Board with a continual flow of relevant information on a timely basis as well as quarterly management accounts of the Group. In particular, prior to the release of quarterly and full year results to the public, Management presents the Group's financial performance together with explanatory details of its operations to the AC, which will review and recommend the same to the Board for approval and authorisation for the release of the results.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the governance of risk and exercises oversight of the risk management strategy and framework. The Board believes in the importance of maintaining a sound system of risk management and internal controls to safeguard the interest of Unitholders and the Trust's assets.

The Trustee-Manager has in place an adequate and effective system of internal control addressing material financial, operational, compliance and information technology risk safeguarding the interest of Unitholders and the Trust's assets. The AC has reviewed the risk management and internal controls within its terms of reference and those drawn to their attention by the external auditor and internal auditor of the Group's significant subsidiaries. Based on the work performed by the internal auditor of the Group's significant subsidiaries during the financial year, as well as the statutory audit by the external auditor, the Board with the concurrence of the AC, is of the opinion that the system of risk management and internal controls in place is adequate and effective in addressing the financial, operational, compliance and information technology risks within the current scope of the Group's business operations.

The Board has also received assurance from the CEO and Financial Controller that, amongst others:

- a. the financial records have been properly maintained;
- b. the financial statements give a true and fair view of IPIT's operations and finances; and
- c. the Trustee-Manager's risk management and internal controls systems are adequate and effective.

The system of risk management and internal controls established by the Trustee-Manager provides reasonable but not absolute assurance that the Trust will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve the business objectives. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

The AC, regulated by a set of written terms of reference, is appointed by the Board from among its members. The AC comprises two Independent Non-Executive Directors and one Non-Executive Director who possess the relevant business, accounting and financial management experience and skills to understand financial statements and contribute to the financial governance, internal control and risk management of the Trust.

The members of the AC are as follows:

Sri Murali s/o Sinnothei Renganathan (Chairman)
Gurbachan Singh
Mehul C.C. Johnson

The Board is of the view that the AC members (including AC Chairman), having recent and relevant accounting and related financial management expertise or experience, are appropriately qualified to discharge their responsibilities.

The AC has explicit authority to investigate any matters within its responsibilities, full access to and the co-operation of Management, full discretion to invite any Director or Executive Officer to attend its meetings and has been given adequate resources to enable it to discharge its functions.

CORPORATE GOVERNANCE

The external auditor updates and keeps the AC informed about relevant changes to accounting standards and issues that have a direct impact on financial statements. Changes to regulations and accounting standards will be monitored closely by the members of the AC. To keep pace with regulatory changes, where these changes have an important bearing on the Trustee-Manager's or Directors' disclosure obligations, the Directors will be briefed either during board meetings or at specially convened sessions involving the relevant professionals.

The AC assists the Board in meeting its responsibilities for maintaining an effective system of internal control. It reviews the process by which the Group evaluates its control environment and risk assessment process and the way in which business and control risks are managed. The AC has adequate resources, including access to external consultants and auditor, to enable it to discharge its responsibilities properly. The AC's main responsibilities are outlined in the Trustee-Manager's Statement, some of which include:

- reviewing property acquisition opportunities offered to the Trustee-Manager by interested persons;
- reviewing any renewals of the master property management agreement ("Master Property Management Agreement") entered into on 7 May 2008 between the Trustee-Manager and the Property Manager, the initial property management agreements entered into between IPPL and the Property Manager on 7 May 2008, and IRECPL and the Property Manager on 7 May 2008 (the "Initial Property Management Agreement") and any subsequent property management agreement pursuant to the Master Property Management Agreement;
- reviewing the scope and result of the external audit and its cost effectiveness and the independence and objectivity of the External Auditor;
- reviewing the financial statements of the Trust and the consolidated financial statements of the Group together with the External Auditor's report thereon before submitting the same to the Board of the Trust and Unitholders;
- monitoring the procedures established to regulate interested person transactions ("Interested Person Transactions"), including ensuring compliance with the provisions of the Listing Manual of SGX-ST relating to interested person transactions;
- reviewing and assessing the Group's foreign exchange hedging policy, including ensuring that the Group has in place adequate and appropriate hedging policies, monitoring their implementation and reviewing the instruments, processes and practices involved;
- reviewing effectiveness and adequacy of the Trust and significant subsidiaries' internal controls systems, including financial, operational, compliance and information technology controls and risk management controls via reviews carried out by the internal auditor;
- monitoring the procedures in place to ensure compliance with the relevant laws and regulations, including the Listing Manual and the Act;
- evaluating the independence of the External Auditor and making recommendations to the Board on the proposals to the Unitholders on the appointment, re-appointment and removal of External Auditor and to approve their remuneration and terms of engagement;

- investigating any matters within the AC's terms of reference, whenever it deems necessary;
- reviewing conflicts of interest;
- reporting to the Board on material matters, findings and recommendations; and
- approving the hiring, removal, evaluation and compensation of the accounting firm or corporation to which the internal audit function is outsourced.

In performing its functions for the financial year ended 31 March 2017, the Audit Committee:

- held four meetings in the financial year;
- reviewed the quarterly and full-year financial statements prior to approving or recommending their release to the Board, as applicable
- held discussions with the external auditor, without the presence of Management in respect of the Group's FY2017 audit, to review any matters that might be raised privately;
- held discussions with the internal auditor, without the presence of Management in respect of the Group's FY2017 internal audit, to review any matters that might be raised privately;
- reviewed the audit plans and reports of the external and internal auditors arising from the audit;
- reviewed the list of interested person transactions;
- reviewed the effectiveness and adequacy of the Group's internal controls system addressing financial, operational, compliance and information technology controls and risk management;
- reviewed all non-audit services provided by the external auditor and in the AC's opinion such services would not affect the independence and objectivity of the external auditor as well as the cost effectiveness of the audit before confirming their re-appointment; and
- reviewed and approved the hiring, removal, evaluation and compensation of the accounting firm to which the internal audit function is outsourced.

The Trustee-Manager, on behalf of IPIT, confirms that IPIT has complied with Rule 712 and Rule 715 of the Listing Manual in relation to its auditing firms.

Messrs Ernst & Young LLP ("EY") has been the statutory auditor for IPIT since its commencement as a listed entity on SGX. EY India has been the external Auditors of IPIT's significant subsidiaries for ten consecutive Audits. Pursuant to the statutory requirements in India, companies are mandatorily required to change audit firm after two terms of five years each and external Auditors have to be given a break of five years after two consecutive tenures. Accordingly, EY representative office in India was unable to continue as the external Auditor of IPIT's subsidiaries for the next appointment due in the forthcoming Annual General Meeting of IPIT to be held on 28 July 2017 (the "AGM"). EY Singapore has expressed their inability to serve as the external Auditor if the significant subsidiaries were not being audited by EY representative office in India. Accordingly, EY will not be seeking re-appointment at the forthcoming AGM.

CORPORATE GOVERNANCE

In view of the foregoing, IPIT has had discussions with several audit firms and proposed Grant Thornton Audit LLP (“GT”) to be a suitable audit firm. The AC has reviewed and deliberated on the proposed appointment of GT as external Auditor for the financial year ending 31 March 2018. Taking into consideration (i) the resources and experience of GT, (ii) the size, business operations and complexity of IPIT and (iii) the number and the experience of GT’s supervisory and professional staff assigned to the audit of IPIT, the AC is of the view that GT will be able to meet the audit requirements of IPIT.

It is therefore proposed that at the forthcoming AGM, GT be appointed as the external auditor of IPIT and that the Trustee-Manager be authorised to fix their remuneration.

The amount of audit fee paid or payable to EY for auditing IPIT and non-audit fee for FY2017, are disclosed in Note 9 of the Financial Statements. The AC, has undertaken a review of all non-audit services provided by EY during the year under review and is satisfied that such services would not, in the AC’s opinion, affect the independence of the external auditors.

The following significant matters impacting the financial statements were discussed with Management and the external auditor and were reviewed by the AC:

Significant matters	Matters considered
Valuation of investment properties and investment property under construction	The valuation methodology and techniques used by independent external valuation specialists including the key assumptions, market data, and estimates on which they are based. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to page 70 of this Annual Report. Based on their independent assessment, the external auditor considered the methodology and assumptions used by management to be appropriate.
Carrying value of development properties	The valuation methodology and techniques used by independent external valuation specialists including the key assumptions, market data, and estimates on which they are based. The external auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2017. Refer to page 70 of this Annual Report. Based on their independent assessment, the external auditor considered the methodology and assumptions used by management to be appropriate.
Related party transactions	The related-party transactions are considered significant as the risk is that if these transactions are not conducted at arm's length, and/or the accounting treatment of the rights and obligations of these transactions are not correct, it could influence the results of the group. Furthermore, for financial reporting purposes, IAS 24 related-party disclosure, requires complete and appropriate disclosure of transactions with related parties. See note 27 to the financial statements.

INTERNAL AUDIT

Depending on the nature of business and risk exposure, the scope of work performed by the internal audit function includes financial and operations reviews, the reviews of compliance and information technology controls as well as risk management system, recurring and surprise audits and fraud investigations. Reports from the external and internal auditors on internal controls and relevant financial reporting matters are presented to the executive management. These reports are also reviewed by the AC and the appropriate actions are taken.

The internal auditor of the group's significant subsidiaries has unfettered access to all the documents, records, properties and personnel, including access to the AC. The internal auditor, a Chartered Accountant firm registered and regulated by the Institute of Chartered Accountants of India in India, is independent of the Management and reports directly to the AC on audit matters and to the Board on administrative matters.

The AC assesses the adequacy and effectiveness of internal audit function annually. The AC approves the appointment, removal, evaluation and compensation of the internal auditors.

UNITHOLDER RIGHTS

IPIT promotes the fair and equitable treatment of all Unitholders. The Trustee-Manager ensures that all pertinent information is conveyed to Unitholders on a comprehensive, accurate and timely basis via SGXNET to facilitate the exercise of Unitholders' ownership rights.

The Board is committed to the release of timely and relevant information to enable Unitholders to make informed decisions in respect of their investments in IPIT. All Unitholders of the Trust will receive a copy of the Annual Report, and Notice of the Annual General Meeting of the Unitholders annually. Notice of the Annual General Meeting of the Unitholders will also be advertised in a major newspaper in Singapore and will be made available on the SGX-ST's website.

All Unitholders are entitled to attend the Annual General Meeting and are given the opportunity to participate effectively in the Annual General Meeting. In accordance with the Trust Deed, a Unitholder is allowed to appoint up to two proxies to attend and vote at the Annual General Meetings on his behalf through proxy forms sent in advance. Unitholders who hold units through nominees such as CPF and custodian banks may vote through their nominee or custodian banks.

COMMUNICATION WITH UNITHOLDERS AND CONDUCT OF UNITHOLDERS MEETINGS

The Trust is committed to maintain open and honest communication with the investment community, in particular, with its Unitholders. Quarter and year end results with detailed financial and operational metrics are publicly available on the SGX-ST. Through regular meetings with Unitholders and advisors, Management of the Trustee-Manager is kept abreast of investor views and sentiments. This is critical as it allows the Management of the Trustee-Manager to consider feedback from the investment community before formulating capital management policies and Unitholders' meeting resolutions.

CORPORATE GOVERNANCE

IPIT distributes at least 90.0% of its Distributable Income, with the actual level of distribution to be determined at the Trustee-Manager's discretion. Distribution, when paid, will be in Singapore dollars. Distributions are made on a semi-annual basis for the six-month period ending 31 March and 30 September of each year.

At the Annual General Meeting of the Unitholders, Unitholders will be given opportunities to participate, engage, and openly communicate their views on matters relating to IPIT to the Board. Board Chairman, members of the Board and AC, Management, as well as the external auditor will be available to attend to any queries raised by the Unitholders. Unitholders are given the opportunity to vote at the Annual General Meeting by poll in person or via proxy. There will be separate resolutions at general meeting on each distinct issue and the chairman will be present and available to address the questions at the AGM.

The Company Secretary prepares minutes of general meetings, which incorporates substantial comments or queries from Unitholders and responses from the Board and Management. These minutes are available to Unitholders upon request.

DEALING WITH CONFLICTS OF INTEREST

As the Trustee-Manager is an indirect wholly-owned subsidiary of the Sponsor, there may be potential conflicts of interest between the Trust, the Trustee-Manager and the Sponsor.

The Trustee-Manager has instituted, amongst others, the following to deal with potential conflicts of interest:

- The Trustee-Manager will not manage any other BT;
- In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests, will abstain from voting. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of IBREL and/or its subsidiaries;
- All resolutions in writing of the Directors in relation to conflicts of interest matters concerning the Trust must be approved by a majority of the Independent Directors;
- All executive officers will be employed by the Trustee-Manager or IPPL and IRECPL which are indirect wholly-owned subsidiaries of IPIT; and
- Where matters concerning the Trust relate to transactions entered into/or to be entered into by the Trustee-Manager for and on behalf of the Trust with an interested person of the Trustee-Manager (which would include relevant associates thereof) or the Trust, the Board is required to consider the terms of such transactions (except transactions under agreements which are deemed to have been specifically approved by Unitholders upon subscription for units in IPIT ("Units") at the initial public offering of Units) to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of the Trust and Unitholders, and are in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

- If the Trustee-Manager is to sign any contract with a related party of the Trustee-Manager or the Trust, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and SGX-ST to apply to BTs.

DEALING WITH INTERESTED PERSON TRANSACTIONS

Review Procedures for Interested Person Transactions

The Trustee-Manager has established an internal control system to ensure that all interested person transactions:

- are undertaken on normal commercial terms; and
- are not prejudicial to the interests of IPIT and/or the Unitholders.

As a general rule, the Trustee-Manager must demonstrate to its AC that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Trustee-Manager; or
- obtaining valuations from independent professional valuers.

The Trustee-Manager maintains a register to record all interested person transactions which are entered into by IPIT subsequent to the listing date and the basis on which they are entered into, including any quotations from unrelated parties and independent valuations.

The Trustee-Manager reviews all interested person transactions entered into by the Trust.

The Trustee-Manager also has the right to review the audit reports to ascertain that all relevant legal, regulatory and Listing Manual requirements have been complied with.

The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the AC. If a member of the AC has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

CORPORATE GOVERNANCE

Furthermore, the following procedures are undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of IPIT's net tangible assets based on the latest audited financial statements of IPIT will be subject to review by the AC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but less than 5.0% of the value of IPIT's net tangible assets based on the latest audited financial statements will be subject to the review and prior approval of the AC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee-Manager with third parties which are unrelated to the Trustee-Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or greater than 5.0% of the value of IPIT's net tangible assets based on the latest audited financial statement will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Save for the transactions described in IPIT's Prospectus dated 2 June 2008, the Trust will announce any interested person transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3% or more of the Group's latest audited net tangible assets.

The aggregate value of all interested person transactions in a particular financial year will be disclosed in the Trust's annual report for the relevant financial year.

Interested Person Transactions for FY 2016-2017

Name of the Interested Person	Aggregate value of all interested person transactions in FY 2016-2017 (excluding transactions less than S\$100,000 each)	
	Transactions not conducted under Unitholders' mandate pursuant to Rule 920 (\$'000)	Transactions conducted under Unitholders' mandate pursuant to Rule 920 (\$'000)
Indiabulls Real Estate Limited		
1) Property Managers fees paid/payable		
• Project management fee *	- ¹	-
• Property management fee *	2,166	-
• Lease management fee *	1,083	-
• Marketing commission *	2,392	-
2) Property income received/receivable		
• Rental income	1,126	-
• Maintenance income	162	-
• Electricity reimbursement	182	
Indiabulls Property Management Trustee Pte. Ltd.		
1) Trustee-Manager fees paid/payable		
• Trustee fee *	441	-
• Management fee - Base *	5,433	-
• Management fee - Performance *	2,594	-
2) Investment advisory and asset management fee received/receivable *	145	-
Indiabulls Construction Limited		
1) Project Management fees paid/payable*	854 ²	-
2) Construction related payments/material and services *	147,800	-

1 *As provided for under the property management agreements entered into between (a) Indiabulls Properties Private Limited and Indiabulls Real Estate Limited ("IBREL") on 7 May 2008 and (b) Indiabulls Real Estate Company Private Limited and IBREL on 7 May 2008 (collectively, the "Initial Property Management Agreements"), as described in the IPIT prospectus dated 2 June 2008 and deemed to be specifically approved by Unitholders upon subscription for Units at the initial public offering of Units and are therefore not subject to Rules 905 and 906 of the Listing Manual. It should be noted that there is a full sum of \$854,000 incurred for the year ended 31 March 2017, which is due to be paid to IBREL as project management fees under the Initial Property Management Agreements, and IBREL has directed that this sum be paid to Indiabulls Construction Limited ("ICL") instead. Therefore, this sum is included under the project management fee to ICL.*

2 *As provided for under the construction agreements entered into between (a) IPPL and ICL on 1 July 2007 and (b) IRECPL and ICL on 8 February 2008, as described in the IPIT prospectus dated 2 June 2008 and deemed to be specifically approved by Unitholders upon subscription for Units at the initial public offering of Units and are therefore not subject to Rules 905 and 906 of the Listing Manual. It should be noted that there is a full sum of \$854,000 incurred for the year ended 31 March 2017, which is due to be paid to IBREL as project management fees under the Initial Property Management Agreements, and which IBREL has directed to be paid to ICL instead. (refer note 1 of IBREL)*

* *Relating to transactions under agreements which are deemed to have been specifically approved by Unitholders upon subscription for Units at the initial public offering of Units and are therefore not subject to Rules 905 and 906 of the Listing Manual.*

CORPORATE GOVERNANCE

SECURITIES TRADING

Dealings in Units

Each Director is required to give notice in writing to the Trustee-Manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two business days after the date on which the Director became a Director of the Trustee-Manager, or the date of such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest.

All dealings in Units by Directors will be announced on SGXNET, with the announcement to be posted on the SGX-ST website -**www.sgx.com**

The Directors and employees of the Trustee-Manager are encouraged, as a matter of internal policy, to hold Units with a long term view and are prohibited from dealing in the Units:

- in the periods commencing one month before the public announcement of IPIT's annual results and property valuation (where applicable) and two weeks before the public announcement of IPIT's quarterly results, and ending on the date of announcement of the relevant results or property valuations (as the case may be);
- at any time while in possession of price sensitive information; and
- on short-term considerations

In addition, the Trustee-Manager will announce to the SGX-ST the particulars of its holdings in Units and any changes thereto within two business days after the date on which it acquires or disposes of any Units.

The Trustee-Manager has also undertaken that it will not deal in the Units in the periods commencing one month before the public announcement of IPIT's annual results and property valuations (where applicable) and two weeks before the public announcement of IPIT's quarterly results, and ending on the date of announcement of the relevant results or property valuations (as the case may be).

MATERIAL CONTRACTS

There are no material contracts entered into by the Trust or any of its subsidiaries that involve the interests of the CEO, any Director, or any controlling Unitholder, except as disclosed in this annual report.

WHISTLE BLOWER POLICY

The AC has put in place a whistle blowing programme as recommended under the Code. Under this programme, the AC reviews arrangements, by which staff of the Trustee-Manager and any other persons may, in confidence, raise concerns about possible improprieties on matters of financial reporting or other matters. The objective is to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

Appendix 1

LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS

The principal present directorships, other than those held in the Trustee-Manager and the principal past directorships in the last three years of each of the Directors are as follows:

(A) Directors of the Trustee-Manager

(1) Mr Gurbachan Singh

Current Directorships	Past Directorships (for a period of 3 years preceding the Latest Practicable Date)
GSM Law LLP	None
A-Sonic Aerospace Limited	

(2) Mr Sri Murali

Current Directorships	Past Directorships (for a period of 3 years preceding the Latest Practicable Date)
Sree Nithya Management Pte Ltd	None

(3) Mr. Mehul Charles Christopher Johnson

Current Directorships	Past Directorships (for a period of 3 years preceding the Latest Practicable Date)
Indiabulls Estate Limited	Bridget Builders and Developers Private Limited
Indiabulls Buildcon Limited	Albina Water Supply and Waste Management Services Limited
Indiabulls Lands Limited	INCEDO Technology Solutions Limited
Makala Infrastructure Limited	
Indiabulls Constructions Limited	
SORIL Infra Resources Limited (formerly Store One Retail India Limited)	
Indiabulls Industrial Infrastructure Limited	
Airmid Aviation Services Limited	
Indiabulls Wholesale Services Limited	

CORPORATE GOVERNANCE

(4) Ms. Savita Singh

Current Directorships	Past Directorships (for a period of 3 years preceding the Latest Practicable Date)
LIC Housing Finance Ltd	Indiabulls Asset Reconstruction Company Limited
Shreyas Home Management Private Limited	
Khaitan & Co LLP	

(5) Mr. Kubeir Khera

Current Directorships	Past Directorships (for a period of 3 years preceding the Latest Practicable Date)
Devata Tradelink Limited	Indiabulls Infraestate Limited
India Ethanol and Sugar Limited	Indiabulls Finance Company Private Limited
Lakisha Developers Limited	
Shivalik Properties Limited	
Karakoram Properties Limited	
Vindhyachal Developers Limited	
Kaltha Developers Limited	
Indiabulls Life Insurance Company Limited	

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TRUSTEE-MANAGER'S STATEMENT

The Directors of Indiabulls Property Management Trustee Pte. Ltd., the trustee-manager of Indiabulls Properties Investment Trust (the "Trust" or "IPIT" and the trustee-manager of IPIT, the "Trustee-Manager") and its subsidiaries (collectively, the "Group"), present their statement to the Unitholders of the Trust together with the audited consolidated financial statements of the Group and the balance sheet and statement of changes in unitholders' funds of the Trust for the financial year ended 31 March 2017.

Opinion of the Directors

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in unitholders' funds of the Trust are drawn up so as to give a true and fair view of the financial position of the Group and of the Trust as at 31 March 2017 and the financial performance, changes in unitholders' funds and cash flows of the Group and changes in unitholders' funds of the Trust for the financial year ended 31 March 2017; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Trustee-Manager will be able to fulfil, out of the trust property of the Trust, the liabilities of the Trust as and when they fall due.

Directors

The Directors of the Trustee-Manager in office at the date of this statement are as follows:

Gurbachan Singh	(Chairman and independent director)
Sri Murali s/o Sinnothei Renganathan	(Independent director)
Mehul C.C. Johnson	(Non-executive director)
Savita Singh	(Independent director)
Kubeir Khera	(Non-executive director)

Arrangements to Enable Directors to Acquire Units and Debentures

Neither at the end of nor at any time during the financial year was the Trustee-Manager a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Trustee-Manager to acquire benefits by means of the acquisition of units ("Units") in or debentures of the Trust.

Directors' Interests in Units or Debentures

According to the register of directors' unitholdings, kept by the Trustee-Manager for the purposes of Section 76 of the Singapore Business Trusts Act, Chapter 31A (the "Act"), none of the Directors holding office at the end of the financial year had any interests in Units in IPIT or debentures of the Trust, either at the beginning or at the end of the financial year.

There were no changes in the above-mentioned interest in the Trust between the end of the financial year ended 31 March 2017 and 21 April 2017.

TRUSTEE-MANAGER'S STATEMENT

Directors' Contractual Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Group or a related corporation with the Director, or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statements and in the corporate governance statement.

Unit Options

During the financial year, there were:

- No options granted by the Trustee-Manager to any person to take up un-issued Units; and
- No Units in the Trust were issued by virtue of any exercise of option to take up un-issued Units. As at the end of the financial year, there were no un-issued Units under option.

Audit Committee

The audit committee of the Trustee-Manager (the "Audit Committee") comprises three Directors of which two are independent directors. The composition of the Audit Committee at the end of the financial year and as at the date of this statement is as follows:

At the end of the financial year and as at the date of this statement

Sri Murali s/o Sinnotheri Renganathan	(Chairman)
Gurbachan Singh	(Independent director)
Mehul C.C. Johnson	(Non-executive director)

The Audit Committee carried out its functions in accordance with Regulation 13(6) of the Singapore Business Trusts Regulations, including the following:

- reviewing property acquisition opportunities offered to the Trustee-Manager by interested persons;
- reviewing any renewals of the master property management agreement ("Master Property Management Agreement") entered into on 7 May 2008 between the Trustee-Manager and the Property Manager, the initial property management agreements entered into between IPPL and the Property Manager on 7 May 2008 and IRECPL and the Property Manager on 7 May 2008 (the "Initial Property Management Agreement") and any subsequent property management agreement pursuant to the Master Property Management Agreement;
- reviewing the scope and result of the external audit and its cost effectiveness and the independence and objectivity of the External Auditor;
- reviewing the financial statements of the Trust and the consolidated financial statements of the Group together with the External Auditor's report thereon before submitting the same to the Board of the Trust and unitholders;

TRUSTEE-MANAGER'S STATEMENT

Audit Committee (cont'd)

- monitoring the procedures established to regulate interested person transactions ("Interested Person Transactions"), including ensuring compliance with the provisions of the Listing Manual of SGX-ST relating to interested person transactions;
- reviewing and assessing the Group's foreign exchange hedging policy, including ensuring that the Group has in place adequate and appropriate hedging policies, monitoring their implementation and reviewing the instruments, processes and practices involved;
- reviewing effectiveness and adequacy of the Trust and significant subsidiaries' internal controls systems, including financial, operational, compliance and information technology controls and risk management controls via reviews carried out by the internal auditor;
- reviewing effectiveness of the significant subsidiaries' material internal controls, including financial, operational, and compliance controls and risk management via reviews carried out by the internal auditor;
- monitoring the procedures in place to ensure compliance with the relevant laws and regulations, including the Listing Manual and the Act;
- evaluating the independence of the External Auditor and to make recommendations to the Board on the proposals to the unitholders on the appointment, re-appointment and removal of External Auditor and to approve their remuneration and terms of engagement;
- investigating any matters within the Audit Committee's terms of reference, whenever it deems necessary;
- reviewing of conflicts of interest;
- reporting to the Board on material matters, findings and recommendations; and
- approving the hiring, removal, evaluation and compensation of the accounting firm or corporation to which the internal audit function is outsourced.

For and on behalf of the Trustee-Manager,
Indiabulls Property Management Trustee Pte. Ltd.

Gurbachan Singh
Director

Sri Murali S/o Sinnothei Renganathan
Director

Singapore
16 June 2017

TRUSTEE-MANAGER'S CERTIFICATE

The Directors of Indiabulls Property Management Trustee Pte. Ltd., the Trustee-Manager of Indiabulls Properties Investment Trust (the "Trust"), and its subsidiaries (collectively referred to as the "Group") hereby certify that:

- the fees or charges paid or payable out of the trust property to the Trustee-Manager are in accordance with the trust deed dated 7 May 2008 constituting Indiabulls Properties Investment Trust ("IPIT") (as amended by a first supplemental deed dated 29 May 2008) (the "Trust Deed") of the Trust;
- the interested person transactions ("Interested Person Transactions") are not detrimental to the interests of all the unitholders of the Trust as a whole based on the circumstances at the time of the transactions; and
- the Board of Directors of the Trustee-Manager is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or the interest of all the Unitholders of the Trust as a whole.

For and on behalf of the Trustee-Manager,
Indiabulls Property Management Trustee Pte. Ltd.

Gurbachan Singh
Director

Sri Murali S/o Sinnothei Renganathan
Director

Singapore
16 June 2017

STATEMENT BY THE CHIEF EXECUTIVE OFFICER

In accordance with Section 86 of the Singapore Business Trusts Act, Chapter 31A, I, the Chief Executive Officer of Indiabulls Property Management Trustee Pte. Ltd., as trustee-manager of Indiabulls Properties Investment Trust (the “Trust” and as Trustee-Manager of the Trust, the (“Trustee-Manager”), certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of the Trust or on the interests of all the Unitholders of the Trust as a whole.

Pankaj Thukral
Chief Executive Officer

Singapore
16 June 2017

STATEMENT ON POLICIES AND PRACTICES

In relation to the Management and Governance of Indiabulls Properties Investment Trust pursuant to Section 87 of the Singapore Business Trusts Act, Chapter 31A.

The board of directors (the “Board”) of Indiabulls Property Management Trustee Pte. Ltd. (“IPMT”), as trustee-manager of Indiabulls Properties Investment Trust (the “Trust” or “IPIT” and as trustee-manager of IPIT, the “Trustee-Manager”), has the dual responsibility of safeguarding the interests of unitholders of IPIT (“Unitholders”) as a whole, and managing the business conducted by the Trust. The Trustee-Manager has general powers of management over the business and assets of the Trust and its main responsibility is to manage the Trust’s assets and liabilities for the benefit of Unitholders as a whole. In the event of a conflict between the interests of all the Unitholders as a whole and its own interests, the Trustee-Manager shall give priority to the interests of all Unitholders as a whole over its own interests.

The Board of IPMT is also obliged to exercise due care to comply with the relevant provisions of all applicable legislations and regulations, the listing manual (the “Listing Manual”) of Singapore Exchange Securities Trading Limited (the “SGX-ST”), the trust deed dated 7 May 2008 constituting IPIT (as amended by a first supplemental deed dated 29 May 2008) (the “Trust Deed”) and all relevant contracts entered into by the Trust.

The Board of IPMT, in exercising its powers and carrying out its duties as Trustee-Manager of the Trust, has ensured that measures are in place for:

- Proper accounting for the Trust Property¹ and to facilitate keeping such Trust Property distinct from the property held by the Trustee-Manager in its own capacity;
- Adherence with the business scope of the Trust as set out in the Trust Deed;
- Appropriate management of potential conflicts between the interests of IPMT and the interests of all Unitholders as a whole;
- Review of interested person transactions (“Interested Person Transactions”) in relation to the Trust;
- Review of expenses and cost allocations payable to IPMT in its capacity as Trustee-Manager of the Trust out of the Trust Property, and that fees and expenses charged to the Trust are appropriate and in accordance with the Trust Deed; and
- Compliance with the Singapore Business Trusts Act, Chapter 31A (the “BTA”) and the listing rules of the SGX-ST.

Trust Property Properly Accounted For

The Trust Property of IPIT is properly accounted for and the Trust Property is kept distinct from the property of the Trustee-Manager held in its own capacity. Different bank accounts are maintained for the Trustee-Manager in its personal capacity and in its capacity as the Trustee-Manager of IPIT.

The accounts for the Trust and the Trustee-Manager are kept separately and distinct and each of the accounts are duly audited by external auditors on an annual basis to ensure that the Trust Property of the Trust is properly accounted for and the Trust Property is kept distinct from the property of the Trustee-Manager held in its own capacity.

¹ “Trust Property” has the meaning ascribed to it in the Trust Deed.

STATEMENT ON POLICIES AND PRACTICES

In relation to the Management and Governance of Indiabulls Properties Investment Trust pursuant to Section 87 of the Singapore Business Trusts Act, Chapter 31A (cont'd)

Adherence to Business Scope

The principal activity of the Trust would be to achieve competitive long term returns by investing, either directly or indirectly, primarily in income-producing properties globally, with at least the majority² comprising income-producing commercial/hospitality space³ and/or; acquiring and/or developing properties globally (with at least the majority⁴ of IPIT's assets comprising commercial/hospitality space) and either holding or selling all or a portion of developed properties upon completion; and/or investing in real estate-related assets in connection with the foregoing. The Board is required to approve all significant strategic decisions including acquisitions and disposals and construction phasing of the properties.

The management of the Trustee-Manager is required to provide regular updates to the Board about potential projects and regulatory updates and any effect on the construction and leasing. The Board ensures that all such projects are within the approved business scope of the Trust.

Potential Conflicts of Interest

The Trustee-Manager is an indirect wholly-owned subsidiary of Indiabulls Real Estate Limited ("the Sponsor"). There may be potential conflicts of interest between the Trust, the Trustee-Manager and the Sponsor.

Although the Trustee-Manager is a related corporation of the Sponsor, the Board composition includes three independent directors which comprise the majority of the Board.

The Trustee-Manager has also instituted the following procedures to deal with conflicts of interest issues:

- The Trustee-Manager will not manage any other business trusts;
- In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interests, will abstain from voting. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the Sponsor and/or its subsidiaries;
- All resolutions in writing of the directors in relation to matters concerning the Trust must be approved by a majority of the independent directors;
- All executive officers will be employed by the Trustee-Manager or Indiabulls Properties Private Limited ("IPPL") and Indiabulls Real Estate Company Private Limited ("IRECPL"), which are indirect wholly owned subsidiaries of IPIT; and

² For the avoidance of doubt, the term "majority" shall mean more than 50.0% of total lettable / saleable area.

³ Including hotels, motels, other lodging facilities, serviced residences and resorts.

⁴ For the avoidance of doubt, the term "majority" shall mean more than 50.0% of total lettable / saleable area.

STATEMENT ON POLICIES AND PRACTICES

In relation to the Management and Governance of Indiabulls Properties Investment Trust pursuant to Section 87 of the Singapore Business Trusts Act, Chapter 31A (cont'd)

Potential Conflicts of Interest (cont'd)

- Where matters concerning the Trust relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of the Trust with an interested person ("Interested Person") of the Trustee-Manager (which would include relevant associates thereof) or the Trust, the Board is required to consider the terms of such transactions (except transactions under agreements which are deemed to have been specifically approved by Unitholders upon subscription for units in IPIT ("Units") at the initial public offering of Units) to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of the Trust and the Unitholders, and in accordance with all applicable requirements of the Listing Manual and the BTA of Singapore relating to the transaction in question.

If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or the Trust (except transactions under agreements which are deemed to have been specifically approved by Unitholders upon subscription for Units at the initial public offering of Units), the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the Singapore Business Trusts Act, Chapter 31A relating to Interested Person Transactions (as may be amended from time to time) as well as such the other guidelines as may from time to time be prescribed by the Monetary Authority of Singapore ("MAS") and the SGX-ST to apply to business trusts.

Future Interested Persons Transactions

Where matters concerning the Trust relate to transactions entered or to be entered into by the Trustee-Manager for and on behalf of the Trust with an "Interested Person" under the Listing Manual and/or the Singapore Business Trusts Act, Chapter 31A, the audit committee of IPMT ("The Audit Committee") reviews such transactions towards ensuring that they are conducted in accordance with applicable requirements of the Listing Manual, the Singapore Business Trusts Act, Chapter 31A and/or such other applicable guidelines relating to the transaction in question. In particular, when the Trust acquires other assets from the Sponsor or parties related to the Sponsor, the Trustee-Manager will obtain appraisals from independent parties and comply with all other requirements applicable to such transactions under the Listing Manual and the Singapore Business Trusts Act, Chapter 31A. In any event, Interested Person Transactions entered into by the Trust (including acquisitions of properties from the Sponsor or parties related to the Sponsor), depending on the materiality of such transactions, may need to be publicly announced or, as the case may be, publicly announced and approved by Unitholders, and will, in addition to such other requirements under the Listing Manual and/or Singapore Business Trusts Act, Chapter 31A, be reviewed and approved by the Trustee-Manager's Audit Committee.

The Trustee-Manager may, on behalf of the Trust, at any time in the future seek a general annual mandate from the Unitholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with Interested Persons, and all transactions conducted under such a general mandate for the relevant financial year. In seeking such a general annual mandate, the Trustee-Manager may appoint an independent financial adviser to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient, in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of IPIT and the Unitholders.

STATEMENT ON POLICIES AND PRACTICES

In relation to the Management and Governance of Indiabulls Properties Investment Trust pursuant to Section 87 of the Singapore Business Trusts Act, Chapter 31A (cont'd)

Fees Payable to the Trustee-Manager

Management Fees

The Trustee-Manager is entitled under the Trust Deed to the following management fees:

- Base fee comprising a fee not exceeding the rate of 0.25% per annum of the value of the Trust Property (excluding the value of the real estate acquired directly or indirectly by IPIT after the listing date of IPIT being 11 June 2008 ("the Listing Date")) as well as a fee not exceeding 0.5% per annum of the value of the real estate acquired directly or indirectly by IPIT after the Listing Date; and
- Performance fee which equals to a rate of 4.0% per annum (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of IPIT's net property income ("NPI") (calculated before accounting for the performance fee in that financial year).

Any increase in the rate or any change in the structure of the Trustee-Manager's management fees must be approved by an extraordinary resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The base fee and the performance fee are payable to the Trustee-Manager in the form of cash and/or units in IPIT ("Units") (as the Trustee-Manager may elect). During the year, the Trustee-Manager has elected to receive 100% of the base fee and 100% of the performance fee in cash (Trustee-Manager has elected to receive 100% of the base fee and 100% of the performance fee in cash during the financial year ended 31 March 2016).

Acquisition Fee/Divestment Fee

The Trustee-Manager is also entitled to:

- (a) (i) 1.0% of the value of the underlying real estate (after deducting the interest of any co-owners or co-participants) in any Authorised Investment* being in the nature of real estate, acquired by the Trustee-Manager on behalf of IPIT, whether directly or indirectly through a SPV, or
- (ii) 1.0% of the acquisition price of any other Authorised Investment acquired by the Trustee-Manager on behalf of IPIT.
- (b) (i) 0.5% of the value of the underlying real estate (after deducting the interest of any co-owners or co-participants) in any Authorised Investment being in the nature of real estate, sold or divested by the Trustee-Manager on behalf of IPIT, whether directly or indirectly through a SPV, or
- (ii) 0.5% of the sale price of any other Authorised Investment sold or divested by the Trustee-Manager on behalf of IPIT.

* Includes real estate, whether freehold or leasehold, in or outside India, held singly or jointly and/or by way of direct ownership or by a shareholding in a special purpose vehicle ("SPV").

STATEMENT ON POLICIES AND PRACTICES

In relation to the Management and Governance of Indiabulls Properties Investment Trust pursuant to Section 87 of the Singapore Business Trusts Act, Chapter 31A (cont'd)

Fees Payable to the Trustee-Manager

Acquisition Fee/Divestment Fee (cont'd)

The acquisition fee and/or the divestment fee are payable to the Trustee-Manager in the form of cash and/or units (as the Trustee-Manager may elect). When the acquisition fee and/or the divestment fee are paid in the form of Units, the Trustee-Manager is entitled to receive such number of Units as may be determined under the Trust Deed. In accordance with the Trust Deed, when IPIT acquires real estate from an Interested Person, or disposes of real estate to an Interested Person, the acquisition or, as the case may be, the divestment fee may be in the form of cash and/or Units issued at prevailing market prices, and, if received in the form of units, such Units shall not be transferred within one year from the date of issuance.

No divestment fee is payable for the divestment of the residential component of One Indiabulls Centre. Further, no divestment fee will be payable to the Trustee-Manager in the case of divestments which has been arranged by Indiabulls Real Estate Limited, in its capacity as the property manager (the "Property Manager"), and for which the Property Manager will be paid a commission under the initial property management agreements entered into between IPPL and the Property Manager on 7 May 2008 and IRECPL and the Property Manager on 7 May 2008 (the "Initial Property Management Agreement").

Any payment to third party agents or brokers in connection with the acquisition or divestment of any asset for IPIT shall be paid by the Trustee-Manager to such persons out of the Trust Property or the assets of the relevant SPV, and not out of the acquisition fee or the divestment fee received or to be received by the Trustee-Manager.

Any increase in the maximum permitted level of the Trustee-Manager's acquisition fee or divestment fee must be approved by an extraordinary resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

Trustee fee

Under the Trust Deed, the Trustee-Manager is entitled to a trustee fee in cash of up to 0.02% per annum of the value of the Trust Property.

Any increase in the maximum permitted amount or any change in the structure of the trustee fee must be passed by an extraordinary resolution at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

STATEMENT ON POLICIES AND PRACTICES

Statement of composition of the Board of Directors of the Trustee-Manager pursuant to Regulation 12(8) of the Business Trusts Regulations 2005

The Board of Directors of Indiabulls Property Management Trustee Pte. Ltd., as Trustee-Manager of IPIT, has conducted an annual review of the directors' independence in accordance with the requirements of the Singapore Business Trusts Regulations and determined the following directors to be (a) independent from management and business relationships with the Trustee-Manager, (b) independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager and (c) independent from every substantial shareholder of the Trustee-Manager:

Gurbachan Singh	(Chairman and independent director)
Sri Murali S/o Sinnothei Renganathan	(Independent director)
Savita Singh	(Independent director)

Mr. Mehul C.C. Johnson and Mr. Kubeir Khara are considered Non-Independent directors as they are employed by Trustee-Manager and its related companies in the past three years.

Expenses charged to IPIT

The expenses payable to the Trustee-Manager in its capacity as Trustee-Manager of IPIT out of IPIT property are reviewed regularly and the Board is satisfied that they are appropriate and in accordance with the Trust Deed.

Compliance with the BTA and listing rules of the SGX-ST

The Trustee-Manager has engaged the services of, and obtained advice from professional advisors and consultants from time to time, particularly with regard to transactions on property acquisitions and capital raising, and has complied with the requirements of the Singapore Business Trusts Act, Chapter 31A and listing rules of the SGX-ST.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2017

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Indiabulls Properties Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Trust and the Group as at 31 March 2017, statements of changes in unitholders' funds of the Trust and the Group and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and statement of changes in unitholders' funds of the Trust are properly drawn up in accordance with the provisions of the Singapore Business Trust Act (the Act) and International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Trust as at 31 March 2017 and of the consolidated financial performance, consolidated changes in unitholders' funds and consolidated cash flows of the Group and changes in unitholders' funds of the Trust for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2017 (cont'd)

Key Audit Matters (cont'd)

Valuation of investment properties and investment property under construction

The Group's investment properties and investment property under construction with a carrying value of \$1,415 million represent 55% of the Group's total assets as at 31 March 2017. The valuation of the investment properties and investment property under construction is significant to our audit due to their magnitude and high dependency on a range of estimates made by the Trustee-Manager with the assistance of independent valuation specialists engaged by the Trustee-Manager. As disclosed in Note 13(c) and Note 29(f)(i) to the financial statements, the investment properties and investment property under construction are measured using significant unobservable inputs. The most significant estimates affecting the valuation are discount rates, rental rates and capitalisation rates. The Trustee-Manager uses independent valuation specialists to support the determination of the fair values of the investment properties.

Amongst other procedures, we evaluated the objectivity, independence and expertise of the independent valuation specialists. We also involved our internal valuation specialists to assist us in discussing with the independent valuation specialists and evaluating the appropriateness of the valuation methodology and significant inputs such as discount rates, capitalisation rates and rental rates used in the estimation process by comparing to historical data and available industry data. We also assessed the appropriateness of disclosures in Notes 13 and 29 relating to the investment properties and investment property under construction and the assumptions used in the valuation process given the estimation uncertainty and sensitivity of the valuations.

Carrying value of development properties

The carrying value of the Group's development properties stands at \$714 million and this represents 28% of the Group's total assets as at 31 March 2017. The development properties are stated at lower of cost and net realisable value. Net realisable value in respect of development properties is assessed with reference to the estimated selling prices less estimated costs of completion and the estimated costs necessary to make the sale. The carrying value of the development properties is significant to our audit due to its magnitude and high dependency on a range of estimates made by the Trustee-Manager. The most significant estimates affecting the valuations are estimated selling prices and estimated costs of completion. The selling prices are estimated by the Trustee-Manager based on average transacted prices for units sold and projected selling prices for units unsold. The costs of completion are estimated by the Trustee-Manager and supported with independent cost consultant's report.

Assisted by our internal valuation specialists, we evaluated and reviewed the Trustee-Manager's estimates in respect of the expected selling prices. In understanding and evaluating Trustee-Manager's estimates, our internal valuation specialists considered, amongst others, recently transacted prices or prices of comparable properties located in the same vicinity as the development project. We also reviewed the Trustee-Manager's estimate of costs of completion against the independent cost consultant's report for all development properties and compared the development's cost per square foot to previous year and to other developments undertaken by the Group. In addition, we have considered the objectivity, independence and competence of the independent cost consultant. We also evaluated the Trustee-Manager's assessment of allowance for foreseeable losses by performing a review of the net realisable value against the estimated costs of completion for each development property. We also assessed adequacy of the disclosures on the development properties in Note 20 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2017 (cont'd)

Key Audit Matters (cont'd)

Related party transactions

The Group has numerous transactions with related parties during the year. The related party balances as at 31 March 2017 and related party transactions are disclosed in more details in Note 27 to the financial statements. The audit of related party transactions is significant to our audit because the existence of related party transactions outside the Group's normal course of business may pose a risk of misstatements to the financial statements. Given the volume of related party transactions in the Group, we have focused our attention on this area.

Our audit procedures comprised, amongst others, evaluation of the appropriateness of management's process for identifying, recording and disclosing related parties and related party transactions in accordance with the requirements of IAS 24: Related Party Disclosures. We read contracts and agreements with related parties as well as held discussions with management to understand the nature of the transactions. We obtained confirmations from related parties for balances outstanding as at 31 March 2017. We reviewed the appropriateness of related party disclosures in the notes to the financial statements.

Other Information

Trustee-Manager is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Trustee-Manager for the Financial Statements

Trustee-Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Trustee-Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Trustee-Manager's responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2017 (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of Trustee-Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2017 (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the Trustee-Manager's regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tham Chee Soon.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

16 June 2017

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 March 2017

	Note	2017 S\$'000	2016 S\$'000
Property income – base rent		97,444	90,538
Revenue from sales of development properties		86,852	–
Other income	6	13,550	12,999
Total income		<u>197,846</u>	<u>103,537</u>
Property expenses	7		
Cost of sales – development properties		(76,584)	–
Advertisement		(3,529)	(2,683)
Operating maintenance and security		(13,605)	(13,801)
Legal and professional fees		(4,308)	(3,584)
Other direct costs		(34,952)	(19,552)
Total property expenses		<u>(132,978)</u>	<u>(39,620)</u>
Net property income		64,868	63,917
Finance costs	8	(64,843)	(58,756)
Trust expenses			
Trustee fee	27	(441)	(466)
Management fee – base	27	(5,433)	(5,825)
Management fee – performance	27	(2,594)	(2,556)
Other trust operating expenses		(453)	(298)
Unrealised exchange (loss)/gain, net		(1)	90
Impairment loss on properties, net		(528,533)	–
Loss before tax	9	<u>(537,430)</u>	<u>(3,894)</u>
Income tax credit	10	194,365	4,698
(Loss)/profit for the year, attributable to Unitholders		<u>(343,065)</u>	<u>804</u>
(Loss)/profit per unit attributable to unitholders of the Trust (“Unitholders”), expressed in cents per unit – basic and diluted	11	<u>(45.498)</u>	<u>0.107</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

	2017 S\$'000	2016 S\$'000
(Loss)/profit for the year	(343,065)	804
Other comprehensive income:		
Items that will not be reclassified to profit or loss in subsequent periods		
Translation difference arising from translation of functional currency into presentation currency	71,588	(97,228)
Total comprehensive income for the year attributable to Unitholders of the Trust	<u>(271,477)</u>	<u>(96,424)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2017

	Note	Group		Trust	
		2017	2016	2017	2016
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Plant and equipment	12	12,294	13,421	–	–
Investment properties	13	1,415,408	1,187,284	–	–
Investment in subsidiaries	14	–	–	978,441	1,299,027
Total non-current assets		<u>1,427,702</u>	<u>1,200,705</u>	<u>978,441</u>	<u>1,299,027</u>
Current assets					
Cash and cash equivalents	15	5,932	9,031	5	170
Available for sale investments	16	6,786	–	–	–
Pledged fixed deposits	15	10,020	13,077	–	–
Prepayments	17	333,767	206,856	23	14
Trade and other receivables	18	19,664	15,679	1,230	1,006
Other current assets	19	43,486	29,992	168	153
Development properties	20	714,283	1,274,115	–	–
Total current assets		<u>1,133,938</u>	<u>1,548,750</u>	<u>1,426</u>	<u>1,343</u>
Total assets		<u>2,561,640</u>	<u>2,749,455</u>	<u>979,867</u>	<u>1,300,370</u>
LIABILITIES					
Current liabilities					
Interest bearing loans and borrowings	21	66,785	174,254	–	–
Trade and other payables	22	107,006	19,369	429	990
Total current liabilities		<u>173,791</u>	<u>193,623</u>	<u>429</u>	<u>990</u>
Non-current liabilities					
Interest bearing loans and borrowings	21	799,113	421,033	–	–
Trade and other payables	22	70,250	52,999	19,708	10,300
Other non-financial liability	23	430,171	545,462	–	–
Deferred tax liabilities	10	128,585	305,131	–	–
Total non-current liabilities		<u>1,428,119</u>	<u>1,324,625</u>	<u>19,708</u>	<u>10,300</u>
Total liabilities		<u>1,601,910</u>	<u>1,518,248</u>	<u>20,137</u>	<u>11,290</u>
NET ASSETS		<u>959,730</u>	<u>1,231,207</u>	<u>959,730</u>	<u>1,289,080</u>

BALANCE SHEETS

As at 31 March 2017 (cont'd)

	Note	Group		Trust	
		2017	2016	2017	2016
		S\$'000	S\$'000	S\$'000	S\$'000
UNITHOLDERS' FUNDS					
Units in issue	24	3,102,916	3,102,916	3,102,916	3,102,916
Foreign currency translation reserve	25	(731,696)	(803,284)	(717,915)	(793,388)
Accumulated losses		(1,411,490)	(1,068,425)	(1,425,271)	(1,020,448)
Total Unitholders' funds		<u>959,730</u>	<u>1,231,207</u>	<u>959,730</u>	<u>1,289,080</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS (GROUP)

For the financial year ended 31 March 2017

	Units in issue (Note 24) S\$'000	Foreign currency translation reserve (Note 25) S\$'000	Accumulated losses S\$'000	Total S\$'000
1 April 2016 to 31 March 2017				
Balance at 1 April 2016	3,102,916	(803,284)	(1,068,425)	1,231,207
Loss for the year	–	–	(343,065)	(343,065)
Foreign currency translation	–	71,588	–	71,588
Total comprehensive income for the year	–	71,588	(343,065)	(271,477)
Balance at 31 March 2017	<u>3,102,916</u>	<u>(731,696)</u>	<u>(1,411,490)</u>	<u>959,730</u>
1 April 2015 to 31 March 2016				
Balance at 1 April 2015	3,102,916	(706,056)	(1,068,228)	1,328,632
Profit for the year	–	–	804	804
Foreign currency translation	–	(97,228)	–	(97,228)
Total comprehensive income for the year	–	(97,228)	804	(96,424)
Distribution to Unitholders	–	–	(1,001)	(1,001)
Balance at 31 March 2016	<u>3,102,916</u>	<u>(803,284)</u>	<u>(1,068,425)</u>	<u>1,231,207</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN UNITHOLDERS' FUNDS (TRUST)

For the financial year ended 31 March 2017

	Units in issue (Note 24) S\$'000	Foreign currency translation reserve (Note 25) S\$'000	Accumulated losses S\$'000	Total S\$'000
1 April 2016 to 31 March 2017				
Balance at 1 April 2016	3,102,916	(793,388)	(1,020,448)	1,289,080
Loss for the year	–	–	(404,823)	(404,823)
Foreign currency translation	–	75,473	–	75,473
Total comprehensive income for the year	–	75,473	(404,823)	(329,350)
Balance at 31 March 2017	<u>3,102,916</u>	<u>(717,915)</u>	<u>(1,425,271)</u>	<u>959,730</u>
1 April 2015 to 31 March 2016				
Balance at 1 April 2015	3,102,916	(690,424)	(1,010,492)	1,402,000
Loss for the year	–	–	(8,955)	(8,955)
Foreign currency translation	–	(102,964)	–	(102,964)
Total comprehensive income for the year	–	(102,964)	(8,955)	(111,919)
Distribution to Unitholders	–	–	(1,001)	(1,001)
Balance at 31 March 2016	<u>3,102,916</u>	<u>(793,388)</u>	<u>(1,020,448)</u>	<u>1,289,080</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2017

	2017 S\$'000	2016 S\$'000
Operating activities		
Loss before tax	(537,430)	(3,894)
Adjustments for:		
Net impairment loss on properties	528,533	–
Finance costs	66,701	59,986
Interest income	(1,306)	(1,160)
Dividend income	(552)	(70)
Straight lining of fit out rental income ⁽¹⁾	(1,454)	2,546
Unrealised exchange loss/(gain)	1	(90)
Depreciation	817	881
Others	(319)	64
Operating cash flow before changes in working capital	54,991	58,263
Changes in working capital:		
Increase in prepayments	(114,831)	(6,358)
Increase in trade and other receivables and other current assets	(3,363)	(7,871)
(Decrease) /Increase in trade and other payables and other non-financial liability	(46,485)	34,354
Increase in development properties	(47,726)	(59,699)
Total changes in working capital	(212,405)	(39,574)
Cash flows (used in)/from operations	(157,414)	18,689
Finance costs	(66,701)	(59,986)
Income tax paid	(10,256)	(6,728)
Net cash flows used in from operating activities	(234,371)	(48,025)

⁽¹⁾ This refers to incentives for lessees spread evenly over the lease term (Note 3.3 (a)).

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2017 (cont'd)

	2017 S\$'000	2016 S\$'000
Investing activities		
Additions to plant and equipment	(375)	(206)
Additions to investment properties	(5,448)	(5,219)
Purchase of available-for-sale investments	(4,653,167)	(705,470)
Sale of available-for-sale investments	4,646,381	705,470
Interest income received	1,723	1,509
Dividend income	1,960	163
Net cash flows used in investing activities	(8,926)	(3,753)
Financing activities		
Distribution to Unitholders	–	(1,001)
Proceeds from interest bearing loans and borrowings	1,000,493	340,500
Repayment of interest bearing loans and borrowings	(764,646)	(284,487)
Placement of fixed deposits pledged with a bank	(78,550)	(46,162)
Redemption of fixed deposits pledged with a bank	82,375	45,649
Net cash flows generated from financing activities	239,672	54,499
Net (decrease)/increase in cash and cash equivalents	(3,625)	2,721
Cash and cash equivalents at the beginning of the year	9,031	6,712
Effect of exchange rate change on cash and cash equivalents	526	(402)
Cash and cash equivalents at end of year	5,932	9,031

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

1. Corporate information

Indiabulls Properties Investment Trust (the “Trust” or “IPIT”) is incorporated and domiciled in Singapore and was established pursuant to the trust deed dated 7 May 2008 constituting IPIT (as amended by a first supplemental deed dated 29 May 2008) (the “Trust Deed”) with Indiabulls Property Management Trustee Pte. Ltd. as its trustee-manager (the “Trustee-Manager”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee-Manager is under a duty to take into custody and hold the assets of the Trust in trust of the Unitholders. The Trustee-Manager’s registered office is 38 Beach Road, #29-11 South Beach Tower, Singapore 189767. The principal place of business of the Trust is at #22-00, The Octagon, 105 Cecil Street, Singapore 069534.

The Trust was formally admitted to the official list of Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 11 June 2008.

The principal activity of the Trust would be to achieve competitive long term returns by investing, either directly or indirectly, primarily in income-producing properties globally, with at least the majority⁵ comprising income-producing commercial/hospitality space⁶; acquiring and/or developing properties globally (with at least the majority⁷ of IPIT’s assets comprising commercial/hospitality space) and either holding or selling all or a portion of developed properties upon completion; and investing in real-estate related assets in connection with the foregoing. The principal activities of the Trust’s subsidiaries are disclosed in Note 14 to the financial statements.

2. Fundamental accounting policy

For the year ended 31 March 2017, IPIT and its subsidiaries (the “Group”) recorded loss before tax of S\$537,430,000 (2016: S\$3,894,000). The Group will have S\$66,785,000 of loan repayments due in the next twelve months from the balance sheet date.

Notwithstanding the above, in the opinion of the directors, it is appropriate to prepare the Group’s consolidated financial statements on a going concern basis, as the Group has sufficient committed credit facilities available for drawdown and will be able to generate sufficient net cash inflows from its operating activities within the next twelve months from the date these financial statements were authorised for issue, so as to enable the Group to meet its obligations as and when they fall due, and hence continue as a going concern.

⁵ For the avoidance of doubt, the term “majority” shall mean more than 50.0% of total lettable / saleable area.

⁶ Including hotels, motels, other lodging facilities, serviced residences and resorts.

⁷ For the avoidance of doubt, the term “majority” shall mean more than 50.0% of total lettable / saleable area.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies

3.1 *Basis of preparation*

The consolidated financial statements and the balance sheet and statement of changes in unitholders' funds of the Trust have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical basis, except as disclosed in accounting policies below.

Please refer to Note 3.4 on functional currency.

The consolidated financial statements and the balance sheet and statement of changes in unitholders' funds of the Trust are presented in Singapore dollars, and all values are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

3.2 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at balance sheet date.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Trust, using consistent accounting policies. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.3 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must be also be met before revenue is recognised.

(a) **Base rent and amenities income**

Base rent and amenities income are recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Base rent comprises rental income earned from the operating leases of the owned properties.

Amenities income is rental revenue earned from the letting of space at the properties for amenities (including canteen space and business centre).

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors of the Trustee-Manager ("Directors") are reasonably certain that the tenant will exercise that option.

Premiums received to terminate leases are recognised in profit or loss when they arise.

(b) **Operations and maintenance income**

Income arising from charges to tenants is recognised in the period in which the services are being rendered.

(c) **Car park income**

Car park income is recognised in the period in which the services are rendered.

(d) **Income from sale of completed property**

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.3 *Revenue recognition (cont'd)*

(e) **Income from sale of property under development**

Where property is under development and agreement has been reached to sell such property when construction is complete, revenue is recognised based on completed project method.

(f) **Interest income**

Interest income is recognised as it accrues using the effective interest method.

(g) **Dividend income**

Dividend income is recognised when the Group's right to receive the payment is established.

3.4 *Functional currency and foreign currency translation*

The consolidated financial statements are presented in Singapore dollar ("S\$" or "SGD"), which is the Trust's presentation currency, as the financial statements are meant primarily for users in Singapore. The functional currency of the Trust is Indian Rupees ("INR").

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The functional currency of the Group's significant foreign subsidiaries, Indiabulls Properties Private Limited ("IPPL") and Indiabulls Real Estate Company Private Limited ("IRECPL") is INR. As at the reporting date, the assets and liabilities of IPPL and IRECPL and of all the other Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency of the Trust (S\$) at the rate of exchange ruling at the reporting date and their income statements are translated at exchange rates at the date of the transactions or a rate that approximates the exchange rates at the dates of the transaction. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign entity, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.5 *Property acquisitions and business combinations*

Where property is acquired through the acquisition of corporate interests, management has regard to the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise corporate acquisitions are accounted for as business combinations.

3.6 *Business combinations*

Business combinations from 1 July 2010

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instance where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.6 *Business combinations (cont'd)*

Business combination prior to 1 July 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

3.7 *Plant and equipment*

Plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects, if the recognition criteria are met.

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset as the recognition criteria for a provision are met.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets.

	Useful life (in years)
Plant and machinery	10 – 12
Equipment	5
Vehicles	6 –10

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.7 *Plant and equipment (cont'd)*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

3.8 *Investment properties*

Investment properties comprise completed properties and properties under construction or re-development held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the period of derecognition.

Transfers are made to investment property when, and only when, there is a change in use evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sales.

Investment properties are not subject to depreciation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.9 *Development properties*

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is measured at the lower of cost and net realisable value.

Cost includes:

- freehold and leasehold rights of land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commission paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the balance sheet date, less costs of completion and the estimated costs necessary to make the sale.

The cost of development properties recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

3.10 *Financial instruments*

(a) **Financial assets**

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents, pledged fixed deposits, available-for-sale investments and trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.10 *Financial instruments (cont'd)*

(a) **Financial assets (cont'd)**

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in profit or loss. The losses arising from impairment are recognised in the profit or loss. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised.

Available-for-sale financial investments

Available-for-sale financial investments include equity investments and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, at which time the cumulative loss is recognised in profit or loss in finance costs and removed from the available-for-sale reserve.

The Group evaluated its available-for-sale financial assets whether the ability and intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management intent significantly changes to do so in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. The reclassification to the held-to-maturity category is permitted only when the entity has the ability and intent to hold until the financial asset matures accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.10 *Financial instruments (cont'd)*

(a) **Financial assets (cont'd)**

Subsequent measurement (cont'd)

For a financial asset reclassified out of the available-for-sale category any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to profit or loss.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flow from the asset have expired
- The Group has transferred its rights to receive cash flow from the asset or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.10 *Financial instruments (cont'd)*

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss and loans and borrowings, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group's financial liabilities include interest-bearing loans and borrowings and trade and other payables.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method.

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate. Further details on how the borrowing costs associated with the loans and borrowings are accounted for, are presented in Note 3.18.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.11 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits with an original maturity of three months or less, and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Pledged fixed deposits do not form part of the cash and cash equivalents.

3.12 *Impairment of assets*

(a) **Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.12 *Impairment of assets (cont'd)*

(b) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flow of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flow, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flow is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flow for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.12 *Impairment of assets (cont'd)*

(b) **Impairment of financial assets (cont'd)**

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flow for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

3.13 **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.14 *Fair value of financial instruments*

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date, without any deduction for transaction costs. For financial instruments where there is no active market, fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

An analysis of fair value of financial instruments and further details as to how they are measured are disclosed in Note 29(f).

3.15 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.16 *Taxes*

(a) **Current income tax**

Current income tax assets and liabilities for the current period are measured at the amounts expected to be recovered from or paid to the taxation authorities based on tax rates and tax laws used to compute the amount are these that are enacted or substantially enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relate to the items recognised outside profit or loss either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.16 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.16 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation directly in equity is recognised in equity and not in income statement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and service tax

Revenue, expenses and assets are recognised net of the amount of sales and service tax, except:

- Where the sales and service tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and service tax are recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables that are stated with the amount of sales and service tax included

The net amount of sales and service tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.17 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognised in profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the useful life of the asset. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.17 *Leases (cont'd)*

(b) **As lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 3.3(a). Contingent rents are recognised as revenue in the period in which they are earned.

3.18 *Borrowing costs*

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in profit or loss in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The cost capitalised is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings. Interest is capitalised from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

3.19 *Tenant deposits*

Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. Any difference in between the total fair value and the nominal amount is included as component of operating lease income and recognised on a straight line basis over the lease term.

3.20 *Contingencies*

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

A present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.20 *Contingencies (cont'd)*

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3.21 *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Trust if that person:
 - (i) Has control or joint control over the Trust;
 - (ii) Has significant influence over the Trust; or
 - (iii) Is a member of the key management personnel of the Group or Trust or of a parent of the Trust.
- (b) An entity is related to the Group and the Trust if any of the following conditions applies:
 - (i) The entity and the Trust are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Trust or an entity related to the Trust. If the Trust is itself such a plan, the sponsoring employers are also related to the Trust
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

4. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty and accounting judgement made at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumption about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Valuation of investment properties and investment property under construction

Investment properties and investment property under construction are stated at fair value as at the balance sheet date. Gains or losses arising from changes in the fair values are included in profit or loss in the year in which they arise. The Group engaged independent valuation specialists to determine the fair value of its investment properties and investment property under construction as at 31 March 2017.

The determination of the fair value of properties requires the use of estimates such as future cash flows from the assets (such as lettings, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property), discount rates and capitalisation rates applicable to those assets. In addition, development risks (such as construction and letting risk) are also taken into consideration when determining the fair value of the properties under construction. These estimates are based on local market conditions existing at the balance sheet date.

In arriving at their estimates of market values as at 31 March 2017, the valuers have used their market knowledge and professional judgment and have not only relied solely on historic transactional comparables. In these circumstances, there is a greater degree of uncertainty than which exists in a more active market in estimating the market values of property.

The significant methods and assumptions used by the valuers in estimating the fair values of the investment properties and investment property under construction are set out in Note 13.

(b) Carrying value of development properties

Development properties are stated at the lower of cost and net realisable value. Net realisable value in respect of development properties is assessed with reference to estimated selling prices less estimated costs of completion and the estimated costs necessary to make the sale. The selling prices are estimated by management based on average transacted prices for units sold and projected selling prices for units unsold. The costs to complete the construction are estimated by management and supported with independent cost consultant's report. For the financial year ended 31 March 2017, the amount of impairment loss recognised for development properties was S\$577,909,000 (2016:S\$Nil). The carrying value of development properties as at 31 March 2017 was S\$714,283,000 (2016: S\$1,274,115,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

5. Changes in accounting policies and disclosure

(a) Adoption of new and amended IFRS

The accounting policies adopted are consistent with those of the previous financial year except in the current year, the Group has adopted all the new and amended IFRS and International Financial Reporting Interpretation Committee ("IFRIC") interpretations that are effective for annual periods beginning on or before 1 April 2016. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group

(b) Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects will have an impact on disclosures, financial position and/or financial performance, when applied at a future date. The Group intends to adopt those standards (where applicable) when they become effective.

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in IFRS 9 are based on an expected credit loss model and replace the IAS 39 incurred loss model.

(a) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group expects an impact on its equity due to unsecured nature of its loans and receivables, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.

(b) Transition

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

5. Changes in accounting policies and disclosure (cont'd)

(b) Standards issued but not yet effective (cont'd)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group is currently assessing the impact of IFRS 15. Management anticipates that the initial application of IFRS 15 may result in changes to the accounting policies relating to revenue recognition for income from sale of completed property.

IFRS 16 Leases

IFRS 16 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and total liabilities and earnings before interest, tax, depreciation and amortisation.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

6. Other income

	Group	
	2017 S\$'000	2016 S\$'000
Operations and maintenance income	11,466	10,525
Car park income	1,915	2,082
Investment advisory and asset management fees	145	130
Others	24	262
	<u>13,550</u>	<u>12,999</u>

7. Property expenses

The classification of property expenses by nature would not result in a materially different presentation than currently presented on income statement.

8. Finance costs

	Group	
	2017 S\$'000	2016 S\$'000
Interest on borrowings	62,272	56,642
Other finance costs	4,429	3,344
Interest income	(1,306)	(1,160)
Dividend income	(552)	(70)
	<u>64,843</u>	<u>58,756</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

9. Loss before tax

This is stated after charging/(crediting):

	Group	
	2017	2016
	S\$'000	S\$'000
<i>Property expenses</i>		
Depreciation of plant and equipment (Note 12)	817	881
Property taxes	8,676	7,877
Interest on the refund of deposits	14,311	–
<i>Trust expenses</i>		
Audit fees		
- Auditors of the Company	76	76
- Other auditors ⁸	46	44
Audit related fees		
- Auditors of the Company	24	21
- Other auditors ⁸	109	40
Non-audit fees		
- Auditors of the Company	1	1
- Other auditors ⁸	–	–

10. Income tax credit

(a) Income tax credit

The major components of income tax credit for the year ended 31 March 2017 and 2016 are:

	Group	
	2017	2016
	S\$'000	S\$'000
Current income tax credit	–	(1,408)
Deferred income tax credit	(194,365)	(3,290)
Income tax credit reported in the consolidated income statement	(194,365)	(4,698)

⁸ A member firm of Ernst & Young Global Limited

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

10. Income tax credit (cont'd)

(a) Income tax credit (cont'd)

A reconciliation between tax credit and the product of accounting loss before tax multiplied by relevant applicable tax rate for the financial years ended 31 March 2017 and 2016 is as follows:

	Group	
	2017	2016
	S\$'000	S\$'000
Loss before tax	(537,430)	(3,894)
Tax at the domestic income tax rate applicable to profits in the countries where the Group operates	(185,994)	(1,348)
Non-deductible expenses	6,236	3,264
Increase in indexed cost of capital assets ⁽¹⁾	(10,359)	(3,290)
Effect of tax relief ⁽²⁾	(9,246)	(9,261)
Deferred tax assets not recognised	4,998	5,937
Income tax credit reported in the consolidated income statement	(194,365)	(4,698)

⁽¹⁾ Indexation is a measure of inflation that is used for computing the indexed cost of capital assets while determining the long-term capital gains. Indexation is measured based on the Cost Inflation Index which is notified on annual basis by the relevant tax authorities. To calculate Indexed cost, cost of asset is to be divided by cost inflation index of year in which asset has been acquired and multiplied by the Cost Inflation Index for the year. The concept of indexed cost factors in the impact of inflation on cost. Consequently, a lower amount of capital gains gets to be taxed than if historical cost had been considered in the computations.

⁽²⁾ Tax relief relates to standard deduction available to income assessed as house property income as per the domestic income tax act of the subsidiaries in India.

The corporate tax rate applicable to the subsidiaries in India is 34.61% (2016: 34.61%). However, in view of no taxable income for the subsidiaries in India, these subsidiaries would not be subject to any tax liability for the year under consideration as per Income Tax Act, 1961 ("Act") and Minimum Alternate Tax ("MAT") as per Section 115JB of the Act.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

10. Income tax credit (cont'd)

(b) Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The Group did not offset any deferred tax assets and liabilities as at 31 March 2016 and 2017. The carrying amount of deferred tax liabilities as at 31 March 2017 is as follows:

	Group	
	2017	2016
	S\$'000	S\$'000
Deferred tax liabilities:		
Development properties	8,464	181,851
Investment properties	120,121	123,280
	<u>128,585</u>	<u>305,131</u>

The movements in the deferred tax account are as follows:

	Group	
	2017	2016
	S\$'000	S\$'000
At beginning of year	305,131	332,804
Increase in indexed cost of capital assets	(10,359)	(3,290)
Impairment loss on properties, net	(184,006)	–
Translation differences	17,819	(24,383)
At end of year	<u>128,585</u>	<u>305,131</u>

The Group has tax losses of approximately S\$198 million (INR 9,184 million) (2016: S\$165 million (INR 8,092 million)) that are available for offset against future taxable profits of the subsidiaries in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that have been loss-making for some time. The utilisation of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of India in which the companies operate.

The unutilised tax losses will expire in 8 years from the year of first incurrence beginning from FY2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

11. (Loss)/profit per unit and distribution to unitholders

(a) (Loss)/profit per unit

(Loss)/profit per unit is calculated by dividing net (loss)/profit for the year attributable to Unitholders by the weighted average number of units in IPIT ("Units") outstanding during the year.

The following reflects the (loss)/profit and units data used in the basic and diluted (loss)/profit per unit computations:

	Group	
	2017	2016
Net (loss)/profit attributable to unitholders (S\$'000)	(343,065)	804
Number of Units in issue at the end of the year ('000)	754,029	754,029
Weighted average number of units for the year ('000)	754,029	754,029
(Loss)/profit per unit in cents (basic and diluted)	<u>(45.498)</u>	<u>0.107</u>

Diluted (loss)/profit per unit is the same as the basic (loss)/profit per unit as there are no dilutive instruments in issue during the year.

(b) Distribution to unitholders

	Group and Trust	
	2017	2016
	\$'000	\$'000
Distribution paid:		
Exempt distribution of 0.0690 cents per unit paid on 25 June 2015	-	521
Exempt distribution of 0.0638 cents per unit paid on 28 December 2015	-	480
	<u>-</u>	<u>1,001</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

12. Plant and equipment

Group	Plant and machinery S\$'000	Equipment S\$'000	Vehicles S\$'000	Total S\$'000
Cost				
At 1 April 2015	18,016	5,639	162	23,817
Additions	44	108	54	206
Disposals	–	–	(17)	(17)
Translation differences	(1,321)	(413)	(12)	(1,746)
At 31 March 2016 and 1 April 2016	16,739	5,334	187	22,260
Additions	77	237	61	375
Disposals	–	–	(19)	(19)
Translation differences	976	311	11	1,298
At 31 March 2017	17,792	5,882	240	23,914
Accumulated depreciation				
At 1 April 2015	4,330	2,541	93	6,964
Depreciation charges for the year	1,645	744	13	2,402
Disposals	–	–	(17)	(17)
Translation differences	(318)	(185)	(7)	(510)
At 31 March 2016 and 1 April 2016	5,657	3,100	82	8,839
Depreciation charges for the year	1,675	596	15	2,286
Disposals	–	–	(19)	(19)
Translation differences	329	180	5	514
At 31 March 2017	7,661	3,876	83	11,620
Net book value				
At 31 March 2017	10,131	2,006	157	12,294
At 31 March 2016	11,082	2,234	105	13,421

The depreciation charges of S\$817,000 (2016: S\$881,000) have been recognised in the Consolidated Income Statement, and the depreciation charges of S\$1,469,000 (2016: S\$1,521,000) have been capitalised as development properties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

13. Investment properties

(a) Breakdown of investment properties

	Group	
	2017	2016
	S\$'000	S\$'000
Completed investment properties	1,311,444	1,187,284
Investment properties under construction ("IPUC")	103,964	-
	<u>1,415,408</u>	<u>1,187,284</u>

Investment properties are mortgaged as security as set out in Note 21 Interest bearing loans and borrowings.

(b) Movements during the year

The movements in investment properties are as follows:

	Group	
	2017	2016
	S\$'000	S\$'000
At beginning of year	1,187,284	1,275,519
Transfer from development properties (Note 20)	103,964	-
Fair value adjustment	49,376	-
Capital expenditure	5,448	5,219
Translation differences	69,336	(93,454)
At end of year, at fair value	<u>1,415,408</u>	<u>1,187,284</u>

(c) Significant assumptions

Investment properties are stated at fair value, which has been determined based on valuations performed by Knight Frank (India) Pvt. Ltd. as at 31 March 2017. The valuations are based on the income approach of valuation. The valuation methodology, being the discounted cash flow, consists of ascertaining the present value of future benefit net of cost incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

13. Investment properties (cont'd)

(c) Significant assumptions (cont'd)

Key assumptions used by Knight Frank (India) Pvt. Ltd. are as follows:

- Capitalisation rate of 9.0% per annum (2016: 9.5% per annum)
- Discount rate of 13.5% to 17.00% per annum (2016:13.5% to 14.00% per annum)
- Rental rates with an estimated 15% escalation after every three years.

For all investment properties measured at fair value, the current use of the property is considered the highest and best use.

A significant increase/(decrease) in capitalisation rate, rental rates and discount rate based on management's assumption would result in significantly lower/(higher) fair value measurement.

(d) Sensitivity analysis

A significant increase/decrease in capitalisation rate and discount rate would result in a significant lower/higher fair value measurement while a significant increase/decrease in rental rates would result in a significant higher/lower fair value measurement.

14. Investment in subsidiaries

	Trust	
	2017 S\$'000	2016 S\$'000
Unquoted equity investments at cost	2,803,388	2,803,388
Translation differences	(643,533)	(709,780)
Less: Impairment loss	(1,355,663)	(959,225)
Carrying amount of investments	804,192	1,134,383
Loans to a subsidiary (long term)	174,249	164,644
	<u>978,441</u>	<u>1,299,027</u>

During the financial year, the Trust recognised an impairment loss of S\$396,438,000 (2016: S\$Nil) on its investments in certain subsidiaries as there was a decline in the recoverable amount of the subsidiaries. The recoverable amount has been determined based on fair value less costs to sell of the underlying assets of the subsidiaries, which largely comprises investment properties and development properties. In the current year, there was a significant decline in the value of development properties which has led to the recognition of the impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

14. Investment in subsidiaries (cont'd)

The loans to a subsidiary, which are quasi equity in nature, are non-trade related, unsecured, interest free and repayable in cash. The settlement for loans to a subsidiary is neither planned nor likely to occur in the foreseeable future. The loans are denominated in SGD and United States dollar ("USD").

The details of the Trust's significant subsidiaries are as follows:

Subsidiary companies	Principal activities	Country of Incorporation/ Place of Business	% of Equity held by Trust	
			2017	2016
Held by subsidiary companies				
Indiabulls Properties Private Limited ⁽¹⁾	Construction and development of real estate in India	India	100%	100%
Indiabulls Real Estate Company Private Limited ⁽¹⁾	Construction and development of real estate in India	India	100%	100%

⁽¹⁾ Audited by S R B C & CO LLP (a member firm of Ernst & Young Global Limited)

15. Cash and cash equivalents and pledged fixed deposits

	Group		Trust	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and cash equivalents	5,932	9,031	5	170
Pledged fixed deposits	10,020	13,077	–	–

Cash and cash equivalents comprise cash on hand and at bank.

Fixed deposits are pledged in relation to security provided in Debt Service Reserve Account ('DSRA') with a financial institution in relation to loan availed and with a bank to avail a non-fund based credit. DSRA is an interest earning term deposit kept in bank as a reserve to service (interest and principal repayment) the loans.

Fixed deposits are placed with the bank for varying periods of less than a year depending on the requirements of the Group. The fixed deposits earn interest at fixed deposit rates ranging from 4% to 8.9% (2016: 3.5% to 9.4%) per annum for the INR denominated fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

15. Cash and cash equivalents and pledged fixed deposits (cont'd)

Cash and cash equivalents and pledged fixed deposits denominated in foreign currencies are:

	Group		Trust	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
SGD	3	9	3	9
USD	13	188	2	161
	<u>16</u>	<u>197</u>	<u>5</u>	<u>170</u>

16. Available-for-sale investments

	Group		Trust	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Available-for-sale investments	<u>6,786</u>	<u>—</u>	<u>—</u>	<u>—</u>

These are investments in quoted money market funds with daily liquidity that can be easily converted into cash.

17. Prepayments

Prepayments relate primarily to construction related advances paid out to various vendors for construction related work and material supplies in relation to the residential projects. Upon completion of the specific construction work or use of the material supplies that the advances relate to, the prepayments are transferred to development properties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

18. Trade and other receivables

	Group		Trust	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	10,540	9,262	–	–
Straight lining of fit out rental income	6,862	5,063	–	–
Deposits	601	427	–	–
Amounts due from subsidiaries	–	–	1,230	1,006
Other receivables	1,661	927	–	–
Total trade and other receivables	19,664	15,679	1,230	1,006
Add:				
Cash and cash equivalents (Note 15)	5,932	9,031	5	170
Pledged fixed deposits (Note 15)	10,020	13,077	–	–
Loans to a subsidiary (long-term) (Note 14)	–	–	174,249	164,644
Less:				
Straight lining of fit out rental income	(6,862)	(5,063)	–	–
Total loans and receivables	28,754	32,724	175,484	165,820

Trade receivables are non-interest bearing and are generally on 30-day terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition. All the trade receivables are pledged as security for credit facilities (Note 21).

The trade receivables are denominated in INR. As at end of the reporting period, the analysis of trade receivable that was past due but not impaired is set out as below.

	2017	2016
	S\$'000	S\$'000
30 to 60 days	1,855	1,565
60 to 90 days	973	1,686
90 to 120 days	875	770
> 120 days	4,680	5,197
	8,383	9,218

The trade receivables are mainly secured by deposits placed by tenants (Note 29(e)).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

18. Trade and other receivables (cont'd)

Amounts due from a subsidiaries are non-trade related, unsecured, interest free and payable on demand in cash. The amounts are denominated in USD.

Other receivables are denominated in INR.

The Group does not have any other receivables that are past due or impaired, or would otherwise be past due but not impaired at the end of the reporting period.

19. Other current assets

	Group		Trust	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Input service tax recoverable	8,831	6,939	168	153
Tax recoverable	34,655	23,053	–	–
	<u>43,486</u>	<u>29,992</u>	<u>168</u>	<u>153</u>

20. Development properties

(a) Development properties

Development properties stated at the lower of cost and net realisable value comprise residential developments.

	Group	
	2017	2016
	S\$'000	S\$'000
At beginning of year	1,274,115	1,309,261
Impairment of development properties	(577,909)	–
Transfer to investment property (Note 13)	(103,964)	–
Capital expenditure	47,726	62,189
Translation differences	74,315	(97,335)
At end of year	<u>714,283</u>	<u>1,274,115</u>

Development properties of S\$714,283,000 (2016: S\$1,274,115,000) are pledged as securities for credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

20. Development properties (cont'd)

(a) Development properties (cont'd)

During the financial year, S\$34,573,000 (2016: S\$47,989,000) of borrowing costs have been capitalised on development properties. The borrowing costs range from 8.40% to 12.00% (2016: ranged from 9.00% to 12.00%) per annum. During the financial year, the related borrowing costs of S\$8,443,000 (2016: S\$9,768,000) for Sky Suites were not capitalised but expensed to the profit or loss during the suspension of Sky Suites development.

The Group has an interest absorption scheme for its development properties held for sale, wherein the Group would, during the construction period, absorb the interest arising from the loan taken by the buyer to fund the purchase price. During the year, the Group absorbed S\$31,855,000 (2016: S\$37,872,000) of such interest costs which formed part of the S\$34,573,000 (2016: S\$47,989,000) borrowing costs capitalised.

Transfer to investment properties

During the financial year, the Airport Authority of India has rejected the 327 meters permissible height applied for Indiabulls Sky Suites and ruled that it can no longer exceed 163 meters. This had a materially adverse effect on the total area that can be built on the site and accordingly, the net realisable value of Sky Suites.

Subsequently having given due consideration to multiple designs and end use of the space (residential versus office), and after taking into account the view of the consultants (including architects, structural experts among other consultants) that with the recent height restriction imposed by the Airport Authority of India, an office scheme (investment property) at the Sky Suites site is more appropriate from the perspective of optimum utilisation of Floor Space Index ("FSI"). Accordingly, Sky Suites is transferred from development properties to investment properties at fair value amounting to S\$103,964,000.

Impairment of development properties

During the financial year, the Group has recognised impairment loss on development properties amounting to S\$577,909,000 (2016: S\$nil) in the consolidated income statement. This is mainly due to overall height restriction imposed by the Airport Authority of India resulting in material loss of area in conjunction with lower price realisation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

21. Interest bearing loans and borrowings

	Group	
	2017	2016
	S\$'000	S\$'000
Current		
Secured bank loan facility in INR	60,101	75,699
Interest accrued but not due	6,684	2,871
Unsecured bank loan facility in INR	–	95,684
Non-current		
Secured bank loan facility in INR *	733,334	421,033
Non-convertible debenture	65,779	–
Total interest bearing loans and borrowings	865,898	595,287

* Repayment terms of these loans range from 4 to 12 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

21. Interest bearing loans and borrowings (cont'd)

Bank loan facility

As at 31 March 2017, IPIT Group's borrowings are secured by registered indenture of mortgage deed on investment properties (Note 13), development properties (Note 20) in IPIT's portfolio and also receivables on the investment properties (Note 18).

These loans include certain financial covenants like fixed asset cover and cumulative cash flow cover to be maintained by the Group during tenor of loan facilities. Fixed assets cover is defined as the ratio of market value of properties charged and outstanding term-loan against the charged properties. Cumulative cash flow cover shall be computed as the ratio of net cash flows available for servicing banking facilities to cash outflows. These covenants were complied with.

Non-convertible debenture

On August 25, 2016, the Group has issued and allotted 3,500 Non-convertible debenture, rated, redeemable, taxable, listed and tradable debentures ("NCDs") with face value of S\$21,567 each at zero coupon payable at par with a yield of 10.80% to maturity, aggregating to S\$75,484,500. These NCDs are issued for a tenor of 2 years and 363 days from date of allotment. The Group has an option to redeem the NCDs earlier for an amount based on the early redemption terms as mentioned in the term sheet and Debenture Trust Deed. The NCDs are secured by registered indenture of mortgage deed on development properties (Note 20).

During the year, the Group has redeemed 450 debentures amounting to S\$9,705,150.

The interest bearing loans/debentures carry interest rates ranging from 8.35% to 10.80% (2016: 9.90% to 11.20%) per annum. The weighted average interest rate on the loans/debentures availed is 8.64% (2016: 10.20%) per annum. During the year, some loans were refinanced by new loans on more favourable terms.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

22. Trade and other payables

	Group		Trust	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Current				
Trade payables				
External parties	21,417	8,740	–	–
Related parties	239	914	243	914
Other payables*	83,004	5,818	186	76
Deposits				
External parties	2,346	3,897	–	–
Total current	<u>107,006</u>	<u>19,369</u>	<u>429</u>	<u>990</u>
Non-current				
Deposits				
External parties	47,588	39,908	–	–
Related parties	2,954	2,791	–	–
Trade payables				
Related party	19,708	10,300	19,708	10,300
Total non-current	<u>70,250</u>	<u>52,999</u>	<u>19,708</u>	<u>10,300</u>
Total trade and other payables	<u>177,256</u>	<u>72,368</u>	<u>20,137</u>	<u>11,290</u>
Interest bearing loans and borrowings (Note 21)	<u>865,898</u>	<u>595,287</u>	<u>–</u>	<u>–</u>
Total financial liabilities carried at amortised cost	<u>1,043,154</u>	<u>667,655</u>	<u>20,137</u>	<u>11,290</u>

Trade and other payables (both external parties and related parties) are non-interest bearing and are normally settled on 90-day terms except for "Other payables".

Trade and other payables classified as non-current are non-interest bearing and are repayable to a related party after 12 months from 31 March 2017.

* Relates mainly to the deposits received from the relevant customers (the "Deposits") towards booking of residential apartments in Sky Suites. Since Sky Suites can no longer be built as earlier envisaged, the Deposits have to be dealt with as per the terms of booking agreed with such customers which envisages a refund along with interest.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

22. Trade and other payables (cont'd)

Trade and other payables denominated in foreign currencies are:

	Group		Trust	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
SGD	20,137	10,670	20,137	10,670
USD	7	8	–	–
GBP	154	158	–	–
	<u>20,298</u>	<u>10,836</u>	<u>20,137</u>	<u>10,670</u>

23. Other non-financial liability

This relates to advances made for the Group's residential projects by interested buyers. These advances are either refundable to the purchasers if, for any reason not attributable to the buyer, the sale agreement has not been entered into within 24 months or are offset against the sale consideration.

24. Units in issue

	Group and Trust			
	2017		2016	
	Number of units	Amount	Number of units	Amount
	('000)	(S\$'000)	('000)	(S\$'000)
Issued and fully paid up				
At beginning of year	754,029	3,102,916	3,770,143	3,102,916
Before share consolidation	–	–	3,770,143	3,102,916
At end of year	<u>754,029</u>	<u>3,102,916</u>	<u>754,029*</u>	<u>3,102,916</u>

* On 25 August 2015, the Trust completed a unit consolidation of every five existing units of the Trust into one unit.

Each unit in the Trust represents an undivided interest in the Trust. The units have no par value. The rights and interests of Unitholders are contained in the Trust Deed and include, amongst other things, the right to:

- Receive distributions attributable to the units held upon declaration by the Trustee-Manager of such distribution;

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

24. Units in issue (cont'd)

- (In the event that the Trust is to be wound up) receive a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and
- Receive audited accounts and the annual reports of the Trust.

The restrictions of a unitholder include the following:

- a Unitholder has no right to request the Trustee-Manager to transfer to him any asset of the Trust;
- a Unitholder cannot give any directions to the Trustee-Manager (whether at a meeting of unitholders or otherwise) if it would require the Trustee-Manager to do or omit doing anything which may result in:
 - The Trust or the Trustee-Manager ceasing to comply with applicable laws and regulations; or
 - The exercise of any discretion expressly conferred to the Trustee-Manager by the Trust Deed or the determination of any matter which under the Trust Deed requires the agreement of the Trustee-Manager, provided that nothing in the relevant clause of the Trust Deed shall limit the right of the unitholder to require the due administration of the Trust in accordance with the Trust Deed.

If the issue price held by the unitholder has been fully paid, the Trust Deed provides that no such unitholder will be personally liable to indemnify the Trustee-Manager in the event the trust property (the “Trust Property”) is insufficient for the purposes of indemnifying the Trustee-Manager as provided in the Trust Deed.

On 27 April 2016, a mandatory conditional cash offer (“the Offer”) was made by Grapene Limited (“the Offeror”), an indirect wholly-owned subsidiary of Indiabulls Real Estate Limited to acquire all the units in Indiabulls Properties Investment Trust. The Offer was declared unconditional in all respects on 29 April 2016. The Offer closed on 22 June 2016. As at the close of the Offer, 3.0% of the Units were held by public unitholders. Pursuant to Rule 1303(1) of the Listing Manual, the Units were suspended from trading immediately following the close of the Offer for an indefinite period of time.

As at 4 January 2017, it was disclosed that the Substantial Unitholders⁹ of IPIT, excluding the Grapene Limited and its Concert Parties¹⁰, held 42.67% interest in IPIT, with 2.38% of the Units held by public unitholders.

⁹ “**Substantial Unitholders**” refer to Unitholders with interests in not less than 5.0% of all Units in issue.

¹⁰ “**Concert Parties**” refers to the parties acting in concert or deemed to be acting in concert with Grapene Limited in relation to the Offer.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

24. Units in issue (cont'd)

Percentage of the total number of Units represented by all Units owned, controlled or agreed to be acquired by Grapene Limited and its Concert Parties	54.95% ¹¹
Percentage of total number of Units held by Substantial Unitholders of IPIT (other than Grapene Limited and its Concert Parties)	42.67% ¹²
Percentage of the total number of Units held by the public Unitholders	2.38%

Based on total unit holding of 54.95% of the Sponsor and related parties, Indiabulls Real Estate Limited, incorporated in India, is the ultimate holding company of IPIT.

25. Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and the net currency translation differences arising from translation from functional currency to presentation currency.

	Group		Trust	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
At beginning of year	(803,284)	(706,056)	(793,388)	(690,424)
Translation difference arising from translation of functional currency into presentation currency	71,588	(97,228)	75,473	(102,964)
At end of year	<u>(731,696)</u>	<u>(803,284)</u>	<u>(717,915)</u>	<u>(793,388)</u>

26. Net asset value ("NAV") per unit

	Group		Trust	
	2017	2016	2017	2016
Net assets (S\$'000)	959,730	1,231,207	959,730	1,289,080
Total units in issue ('000) (Note 24)	754,029	754,029	754,029	754,029
NAV per unit (in cents)	<u>127.28</u>	<u>163.28</u>	<u>127.28</u>	<u>170.96</u>

¹¹ Rounded to the nearest two decimal places.

¹² Assuming that the total number of Units held by Substantial Unitholders of IPIT (other than Grapene Limited and its Concert Parties) has not changed since 4 January 2017, being the date of the latest Substantial unitholder notification made by such Substantial Unitholders in respect of IPIT.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

27. Related party transactions

Related parties	
Indiabulls Real Estate Limited ("IBREL")	Property Manager
Indiabulls Property Management Trustee Pte. Ltd.	Trustee Manager
Indiabulls Construction Limited	Subsidiary of IBREL
Lucina Land Development Limited	Subsidiary of IBREL
Navilith Holding Limited	Subsidiary of the Indiabulls Properties Investment Trust
M Holdco1 Limited	Subsidiary of the Indiabulls Properties Investment Trust
M Holdco7 Limited	Subsidiary of the Indiabulls Properties Investment Trust
M Holdco8 Limited	Subsidiary of the Indiabulls Properties Investment Trust
J Holdco1 Limited	Subsidiary of the Indiabulls Properties Investment Trust

During the financial year, the following related party transactions were carried out in the normal course of business on terms agreed between the parties:

(a) Fees payable to the Trustee-Manager

Management fees

The Trustee-Manager is entitled under the Trust Deed to the following management fees:

- Base fee comprising a fee not exceeding the rate of 0.25% per annum of the value of the Trust Property (excluding the value of the real estate acquired directly or indirectly by IPIT after the Listing Date) as well as a fee not exceeding 0.5% per annum of the value of the real estate acquired directly or indirectly by IPIT after the Listing Date; and
- Performance fee equal to a rate of 4.0% per annum (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of IPIT's Net Property Income ("NPI") (calculated before accounting for the performance fee in that financial year).

Any increase in the rate or any change in the structure of the Trustee-Manager's management fees must be approved by an extraordinary resolution passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

The base fee and the performance fee are payable to the Trustee-Manager in the form of cash and/or Units (as the Trustee-Manager may elect). During the year, the Trustee-Manager has elected to receive 100% of the base fee and 100% of the performance fee in cash (2016: Trustee-Manager has elected to receive 100% of the base fee and 100% of the performance fee in cash).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

27. Related party transactions (cont'd)

(a) Fees payable to the Trustee-Manager (cont'd)

Trustee fee

Under the Trust Deed, the Trustee-Manager is entitled to a trustee fee in cash of up to 0.02% per annum of the value of the Trust Property.

Any increase in the maximum permitted amount or any change in the structure of the trustee fee must be passed by an extraordinary resolution at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

(b) Fees payable at India Level

Marketing services commission

The Property Manager is entitled to commission for new tenancies, leasing of additional space by existing tenants, renewal and the sale of the Trust Property which shall be calculated as follows:

- commission equivalent to 12.5 days of the base rent and amenities income for securing a lease for a lease period of less than 1 year;
- commission equivalent to 25 days of the base rent and amenities income for securing a lease for a lease period between one year and three years less 1 day;
- commission equivalent to 37.5 days of the base rent and amenities income for securing a lease for a lease period of between three years but not exceeding 10 years;
- commission equivalent to 2.0% of the total base rent and amenities income for securing a lease period in excess of 10 years; and
- commission equivalent to 2.0% of the sale price in the case of strata-sale of any part or parcel of the Trust Property.

The lease period above refers to the initial term of the lease period and excludes any renewal or extension periods. Renewal of an existing lease will be calculated at half of the above marketing services commission otherwise payable for a new tenancy.

No commission shall be payable in respect of the letters of intent which are entered into between IPPL and the specifically identified tenant (as stated in the Initial Property Management Agreement).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

27. Related party transactions (cont'd)

(b) Fees payable at India Level (cont'd)

Lease management fee

The Property Manager is entitled to a monthly fee of 1.0% of the Gross Revenue of the Trust Property for the relevant month.

Property management fee

The Property Manager is entitled to a monthly fee of 2.0% of the Gross Revenue of the Trust Property for the relevant month.

The project manager is entitled to 5.0% of the pre-completion construction cost for development, redevelopment, refurbishment, retrofitting, addition to, alteration of or renovation works in respect of the relevant property and 2.0% of the post-completion construction cost for development, refurbishment, retrofitting, addition to, alteration of or renovation works carried out in respect of the relevant property post completion of construction. Any amounts paid to Indiabulls Constructions Limited under the One Indiabulls Centre Construction Agreement or to any subsidiary of IBREL, as profit and overhead, shall be deducted from the project management fee paid to the Property Manager for the relevant month.

General management service

The Property Manager is entitled to bill in relation to the general management services including contract management services, financial and accounting services, corporate secretarial services, human resources and administrative services, corporate communications etc.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

27. Related party transactions (cont'd)

(c) Related party transactions during the financial year

Group	For the year 1 April 2016 to 31 March 2017 S\$'000	As at 31 March 2017 S\$'000	For the year 1 April 2015 to 31 March 2016 S\$'000	As at 31 March 2016 S\$'000
Indiabulls Real Estate Limited ("IBREL")				
1) Balance payable	–	2,957	–	2,790
2) Property Managers fee				
- Property management fee	2,166	–	2,008	–
- Lease management fee	1,083	–	1,004	–
- Marketing services commission	2,392	–	674	–
3) Property income				
- Rental income	1,126	–	1,001	–
- Maintenance income	162	–	144	–
- Electricity reimbursement	182	–	175	–
4) Others				
- Guarantees provided by IBREL for loans taken by IPIT's subsidiaries *	–	859,215	–	55,301

* No guarantee fee paid to the related party for the guarantees provided.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

27. Related party transactions (cont'd)

(c) Related party transactions during the financial year (cont'd)

Group	For the year 1 April 2016 to 31 March 2017 S\$'000	As at 31 March 2017 S\$'000	For the year 1 April 2015 to 31 March 2016 S\$'000	As at 31 March 2016 S\$'000
Indiabulls Property Management Trustee Pte. Ltd.				
1) Balance payable	–	19,236	–	10,670
2) Trustee-Manager fees				
- Management fee – Base	5,433	–	5,825	–
- Management fee – Performance	2,594	–	2,556	–
- Trustee fee	441	–	466	–
3) Investment advisory and asset management fee received/receivable	145	–	108	–
Indiabulls Construction Limited				
1) Prepayments	–	319,109	–	190,371
2) Project Management fee ¹³	854	–	1,639	–
3) Construction related payments/material and services	147,800		60,152	–

¹³ As provided for under the property management agreements entered into between (a) Indiabulls Properties Private Limited and Indiabulls Real Estate Limited ("IBREL") on 7 May 2008 and (b) Indiabulls Real Estate Company Private Limited and IBREL on 7 May 2008 (collectively, the "Initial Property Management Agreements"), as described in the IPIT prospectus dated 2 June 2008 and deemed to be specifically approved by Unitholders upon subscription for Units at the initial public offering of Units and are therefore not subject to Rules 905 and 906 of the Listing Manual.

It should be noted that there is a full sum of \$854,000 incurred for the year ended 31 March 2017, which is due to be paid to IBREL as project management fees under the Initial Property Management Agreements, and IBREL has directed that this sum be charged by Indiabulls Construction Limited ("ICL") and paid to ICL instead.

In prior financial year, there was an additional sum of \$1,639,000 incurred which was due to be paid to IBREL for the same nature of project management fees but IBREL had also directed to be charged by ICL and paid to ICL.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

27. Related party transactions (cont'd)

(c) Related party transactions during the financial year (cont'd)

	For the year 1 April 2016 to 31 March 2017	As at 31 March 2017	For the year 1 April 2015 to 31 March 2016	As at 31 March 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Trust				
Navilith Holding Ltd.				
1) Loans receivable	–	174,249	–	164,644
2) Loan to a subsidiary	(10)	–	(3,341)	–
M Holdco1 Limited				
1) Amount due from subsidiary	–	1,059	–	906
2) Loan to a subsidiary	95	–	121	–
M Holdco7 Limited				
1) Amount due from subsidiary	–	53	–	50
2) Loan to a subsidiary	–	–	14	–
M Holdco8 Limited				
1) Amount due from subsidiary	–	53	–	50
2) Loan to a subsidiary	–	–	14	–
J Holdco1 Limited				
1) Loan to a subsidiary	–	–	81	–
Indiabulls Properties Private Limited				
1) Amount due from subsidiary	–	65	–	–
2) Advisory fees	62	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

28. Commitments and contingencies

(a) Operating lease commitments - Group as lessor

The Group has entered into commercial property leases/letters of intent which have remaining terms of one to five years.

Future minimum rentals expected to be received under the leases/letters of intent as at 31 March 2017 are as follows:

	Group	
	2017	2016
	S\$'000	S\$'000
Within one year	112,832	91,208
After one year but not more than five years	180,789	142,487
	<u>293,621</u>	<u>233,695</u>

(b) Capital commitments

At 31 March 2017, the Group had purchase obligations outstanding of approximately S\$6 million (2016: S\$7 million) towards construction of development properties and capital expenditure of investment properties.

29. Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Trustee-Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The audit committee of the Trustee-Manager oversees how the Trustee-Manager monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

There were no changes in the risks faced by the Group, no changes were made in the objectives, policies or processes for managing the risk and the methods used to measure the risk during the years ended 31 March 2017 and 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

29. Financial risk management objectives and policies (cont'd)

(a) Development risk

Consistent with the risk faced in development of any property in India, the development of the Trust's properties involves various risks, including construction, regulatory and financing risks as well as risks that building permits, government consents or other approvals require from third parties in connection with the development and letting/sale of the properties may be delayed or may not be granted. The Trustee-Manager shall continue to monitor the development of the Trust's properties in order to mitigate and address these risks.

(b) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Trustee-Manager reviews the interest rate strategies to minimise interest rate risk by taking into account the cash flow forecasts, terms of debt obligations and market outlook.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings). The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

	Increase/(decrease) in basis points	Increase/(decrease) in loss before tax S\$'000
2017		
INR	50	2,779
INR	(50)	(2,779)
2016		
INR	50	2,704
INR	(50)	(2,704)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

29. Financial risk management objectives and policies (cont'd)

(c) Foreign currency risk

Foreign currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's business is not exposed to significant currency risk as the portfolio of properties are located in the India and the cash flows from the operations of the properties are denominated in INR. The Group also borrows in the same currency as the assets in order to manage the foreign currency risk. The Trust is exposed to fluctuations in the cross currency rates of the INR and SGD for operating expenses incurred in Singapore, which are not material. Where appropriate, based on the prevailing market conditions, the Group may adopt suitable hedging strategies to minimise any foreign exchange risk.

(d) Liquidity risk

The Group manages its liquidity risk by maintaining a sufficient level of cash and cash equivalents and having an adequate amount of available credit facilities that are deemed adequate by the management to finance the Group's operations including servicing of financial obligations and to mitigate the effects of fluctuations in cashflow.

As at the date of this report, the Group through its wholly-owned subsidiaries in India has access to adequate irrevocable credit facilities.

The table below summarises the maturity profile of the Group's and the Trust's financial liabilities at 31 March 2017 based on contractual undiscounted payments:

	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2017						
Financial liabilities						
Interest bearing loans and borrowings	–	31,224	104,872	596,964	539,804	1,272,864
Trade and other payables	83,933	23,073	–	70,250	–	177,256
Total undiscounted financial liabilities	83,933	54,297	104,872	667,214	539,804	1,450,120

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

29. Financial risk management objectives and policies (cont'd)

(d) Liquidity risk (cont'd)

	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

2016

Financial liabilities

Interest bearing loans and borrowings	–	130,117	91,907	387,040	167,185	776,249
Trade and other payables	1,187	18,182	–	52,999	–	72,368
Total undiscounted financial liabilities	1,187	148,299	91,907	440,039	167,185	848,617

	On demand	< 3 months	3 to 12 months	1 to 5 years	Total
Trust	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

2017

Financial liabilities

Trade and other payables	429	–	–	19,708	20,137
Total undiscounted financial liabilities	429	–	–	19,708	20,137

2016

Financial liabilities

Trade and other payables	990	–	–	10,300	11,290
Total undiscounted financial liabilities	990	–	–	10,300	11,290

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

29. Financial risk management objectives and policies (cont'd)

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligation. The Group's and the Trust's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Trust minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group trades with recognised and creditworthy third parties. As at 31 March 2017, the top three tenants contributed to 20 percent (2016: 20 percent) of the property income. It is the Group's policy that all the tenants who intend to take up space in the properties give a security deposit which remains with the Group for the term of the lease. The Group monitors receivable balances on an ongoing basis.

Exposure to credit risk

At the end of the reporting period, the Group's and the Trust's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets. Information regarding credit exposure for trade and other receivables is disclosed in Note 18.

(f) Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(i) Financial instruments that are carried at fair value

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

29. Financial risk management objectives and policies (cont'd)

(f) Fair value of financial instruments (cont'd)

(i) Financial instruments that are carried at fair value (cont'd)

Fair value hierarchy (cont'd)

There has been no transfer between Level 1 and Level 2 during the financial years ended 2017 and 2016.

	Group 2017 \$'000			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Non-financial assets:				
Investment properties	–	–	1,415,408	1,415,408
Recurring fair value measurements				
Financial assets:				
Available-for-sales instruments	6,786	–	–	6,786
	Group 2016 \$'000			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Non-financial assets:				
Investment properties	–	–	1,187,284	1,187,284

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

29. Financial risk management objectives and policies (cont'd)

(f) Fair value of financial instruments (cont'd)

(i) Financial instruments that are carried at fair value (cont'd)

Fair value hierarchy (cont'd)

The valuations of the investment properties are generally sensitive to changes in discount rate, capitalisation rate and rental rates. A significant increase/decrease in discount rate and capitalisation rate would result in a significant lower/higher fair value measurement while increase/decrease in rental rates would result in a significant higher/lower fair value measurement.

(ii) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, pledged fixed deposits, trade and other receivables, current trade and other payables, current interest bearing loans and borrowings based on their notional amounts, reasonably approximate their fair values because of their short term maturity.

The carrying amount of non-current interest bearing loans and borrowings is a reasonable approximation of fair value as the loans and borrowings are floating rate instruments that are re-priced to market interest rates on or near 31 March 2017.

The deposits (non-current trade and other payables), carried at amortised cost, reasonably approximate fair value as the discount rate used in the amortisation approximates the market incremental lending rate for similar types of leasing arrangements at the balance sheet date.

(iii) Financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The non-current loans to a subsidiary (Note 14) are quasi-equity in nature. Management does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

30. Capital management

The Trustee-Manager aims to formulate plans for equity and debt financing for the Group's property acquisitions, property developments, distribution payments, expense payments and property maintenance payments. The Trustee-Manager will periodically review the Group's total borrowings and modify the policy as its management deems prudent in light of prevailing market conditions. Its strategy will generally be to match the maturity of its indebtedness with the maturity of its investment assets.

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise Unitholders' value. The Trustee-Manager is always in the process of evaluating various sources of funding and other means of effective capital management for IPIT. In making its evaluation, the Trustee-Manager will take into account the financial requirements of IPIT and market conditions to continue to build a solid foundation for long term success and shareholder value maximisation.

No changes were made in the objectives, policies or processes for the Group and the Trust during the years ended 31 March 2017 and 31 March 2016.

IPIT has voluntarily adopted and incorporated in the Trust Deed that for the period commencing from 31 March 2010 and for so long as property funds are subject to borrowing limits under Appendix 2 of the Code on Collective Investment Schemes issued by the MAS (the "Property Funds Appendix") the Aggregate Leverage (as defined in the Property Funds Appendix) of the Trust shall not exceed 35.0% (or such higher percentage limit¹³ as may be permitted under the Property Funds Appendix) (the "Primary Permitted Gearing Limit") of the value of the Trust Property provided that the Aggregate Leverage of the Trust may exceed the Primary Permitted Gearing Limit of up to a maximum of 60.0% (or such higher percentage limit as may be permitted under the Property Funds Appendix) of the value of the Trust Property only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The Trust shall continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds the Primary Permitted Gearing Limit.

Aggregate Leverage as at 31 March 2017 was 41% (2016: 27%) of the value of the Trust Property. Borrowings were S\$866 million (2016: S\$595 million), and cash and cash equivalents were S\$6 million (2016: S\$9 million). The Group has additional borrowing capacity of S\$95 million (2016: S\$390 million) (before its Aggregate Leverage reaches 45%) to fund future development or acquisition projects.

	Group	
	2017	2016
	S\$'000	S\$'000
Interest bearing loans and borrowings (Note 21)	865,898	595,287
Value of the Trust Property	<u>2,135,973</u>	<u>2,188,509</u>
Aggregate Leverage	<u>41%</u>	<u>27%</u>

¹³ With effect from 1 January 2016, MAS revised Property Fund Appendix to adopt on Aggregate Leverage Limit of 45%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

31. Segment reporting

The development mix of the properties has been classified into residential and commercial developments. The individual properties are aggregated into segments with similar economic characteristics. The Directors consider that this is best achieved by aggregating into commercial and residential segments. The Board is informed of discrete financial information on each segment. The information provided is rent, valuation gains/ (losses) and segment result. The information on residential development property segment is aggregated and represented by revenue and profit from sale of inventory.

Consequently, the Group is considered to have two reportable operating segments, as follows:

- Commercial segment – develops, leases and manages the commercial space
- Residential development segment – develops and sells residential property

Group administrative costs, profit/loss on disposal of investment property, finance revenue and income taxes are not reported to the Board on a segment basis.

Segment assets for the commercial segment comprise investment properties (including those under construction). Segment assets for the residential development segment represent unsold development properties.

(a) Operating segments

The following table presents revenue and profit information regarding the Group's operating segments.

For the year ended 31 March 2017

	Commercial	Residential	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Base rent	97,444	–	–	97,444
Car park and other income	1,915	–	–	1,915
Revenue from sales of development properties	–	86,852	–	86,852
Unallocated income	–	–	11,635	11,635
Total property income	99,359	86,852	11,635	197,846
Net impairment loss on properties	49,376	(577,909)	–	(528,533)
Unallocated expenses				
- Property expenses	–	(76,584)	(56,394)	(132,978)
- Interest expenses	–	–	(64,843)	(64,843)
- Trust expenses	–	–	(8,922)	(8,922)
Profit/(loss) before tax	148,735	(567,641)	(118,524)	(537,430)
Income tax credit	–	–	194,365	194,365
Profit/(loss) after tax	148,735	(567,641)	75,841	(343,065)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

31. Segment reporting (cont'd)

(a) Operating segments (cont'd)

For the year ended 31 March 2016

	Commercial S\$'000	Residential S\$'000	Unallocated S\$'000	Total S\$'000
Base rent	90,538	–	–	90,538
Car park and other income	2,082	–	–	2,082
Unallocated income	–	–	10,917	10,917
Total property income	92,620	–	10,917	103,537
Unallocated expenses				
- Property expenses	–	–	(39,620)	(39,620)
- Interest expenses	–	–	(58,756)	(58,756)
- Trust expenses	–	–	(9,055)	(9,055)
Profit/(loss) before tax	92,620	–	(96,514)	(3,894)
Income tax credit	–	–	4,698	4,698
Profit/(loss) after tax	92,620	–	(91,816)	804

(b) Segment assets

The following table presents segment assets of the Group's operating segments as at 31 March 2017 and 2016.

	Commercial S\$'000	Residential S\$'000	Unallocated S\$'000	Total S\$'000
At 31 March 2017	1,415,408	714,283	431,949	2,561,640
At 31 March 2016	1,187,284	1,274,115	288,056	2,749,455

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017 (cont'd)

32. Comparative figures - Reclassification

Certain comparative figures have been reclassified to conform with the current year's presentation and to better reflect the nature of the transactions.

	2016	2016
	As classified	As previously
	\$'000	classified
		\$'000
Consolidated statement of cash flows		
Operating activities		
Increase in development properties	(59,699)	—
Investing activities		
Additions to investment properties	(5,219)	(64,918)

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Trustee-Manager, Indiabulls Properties Management Trustee Pte. Ltd. on 16 June 2017.

UNITHOLDING STATEMENT

As at 06 June 2017

Analysis of Unitholdings

Number of units issued 754,028,697
Voting Rights One vote per Unit

Distribution Of Unitholdings

Size of Unitholdings	No of Unitholders	%	No. of Units	%
1 - 99	117	13.34	672	0.00
100 - 1,000	350	39.91	190,783	0.02
1,001 - 10,000	305	34.78	1,179,455	0.16
10,001 - 1,000,000	95	10.83	6,865,683	0.91
1,000,001 AND ABOVE	10	1.14	745,792,104	98.91
TOTAL	877	100	754,028,697	100

Twenty Largest Unitholders

NO.	Name	No. of Units	%
1	RAFFLES NOMINEES (PTE) LTD	322,708,871	42.80
2	GRAPENE LIMITED	301,976,732	40.05
3	ARISTON INVESTMENTS LIMITED	79,406,462	10.53
4	FOUNDVEST LIMITED	21,835,792	2.90
5	INDIABULLS PROPERTY MANAGEMENT	11,087,217	1.47
6	UOB KAY HIAN PTE LTD	2,359,200	0.31
7	CITIBANK NOMS S'PORE PTE LTD	1,957,336	0.26
8	WIRTZ JOCHEN	1,930,800	0.26
9	HSBC (SINGAPORE) NOMS PTE LTD	1,289,114	0.17
10	DBS NOMINEES PTE LTD	1,240,580	0.16
11	POON KIANG HAU	1,000,000	0.13
12	CHATRI TRISIRIPISAL	840,000	0.11
13	HONG PIAN TEE	500,000	0.07
14	DB NOMINEES (S) PTE LTD	413,400	0.05
15	WU CHUNG SHOU	353,000	0.05
16	POON TEO KIM	264,000	0.04
17	FRANCIS HAN CHONG TENG	204,200	0.03
18	TAY BENG HON	180,400	0.02
19	RAJIV MALHOTRA	170,400	0.02
20	OCBC SECURITIES PRIVATE LTD	164,423	0.02
	TOTAL	749,881,927	99.45

Public Unitholders

Based on the information available to the Trustee-Manager as at 6 June 2017, the number of units held by public is only 2.38%. (below the requirement of 10% as stated in Rule 723 and 724 of the Listing Manual). The units were suspended from trading immediately following the close of the offer for an indefinite period of time.

SUBSTANTIAL UNITHOLDERS

As at 06 June 2017

Name	Note	Direct Interest	%	Deemed Interest	%
FIM Ltd		291,764,450	38.7	–	–
Ariston Investments Limited		79,406,462	10.5	–	–
Grapene Limited		301,976,732	40.0	–	–
Dev Property Development Limited	1	–	–	79,406,462	10.5
Shoxell Holdings Limited	2	–	–	301,976,732	40.0
Indiabulls Real Estate Limited	3	–	–	414,306,203	54.9
Farallon Capital Partners, L.P.	4	6,034,470	0.8	291,764,450	38.7
Farallon Special Situation Partners II, L.P.	5	5,826,385	0.8	291,764,450	38.7
Farallon Capital Institutional Partners, L.P.	6	5,410,215	0.7	291,764,450	38.7
FIM Holdings A, Ltd	7	–	–	291,764,450	38.7
Jupiter TM Ltd	8	–	–	291,764,450	38.7
Jupiter TM II Ltd	9	–	–	291,764,450	38.7
Farallon Partners, L.L.C.	10	–	–	312,572,968	41.5
Farallon Capital Management, L.L.C.	10	–	–	321,776,468	42.7
Farallon Capital Asia Pte. Ltd.	10	–	–	312,572,968	41.5
Rajiv A. Patel	10	–	–	312,572,968	41.5
Monica R. Landry	10	–	–	312,572,968	41.5
Mark C. Wehrly	10	–	–	312,572,968	41.5
Gregory S. Swart	10	–	–	312,572,968	41.5
Andrew J.M. Spokes	10	–	–	312,572,968	41.5
Richard B Fried	10	–	–	312,572,968	41.5
Michael G. Linn	10	–	–	312,572,968	41.5
John R. Warren	10	–	–	312,572,968	41.5
Thomas G. Roberts, Jr.	10	–	–	312,572,968	41.5
David T. Kim	10	–	–	314,985,968	41.8
Michael B. Fisch	10	–	–	316,039,368	41.9
William Seybold	10	–	–	321,776,468	42.7
Philip D. Dreyfuss	10	–	–	321,776,468	42.7
Ravi K. Paidipaty	10	–	–	321,776,468	42.7
David A. Posner	10	–	–	321,776,468	42.7

SUBSTANTIAL UNITHOLDERS

As at 06 June 2017 (cont'd)

Notes:

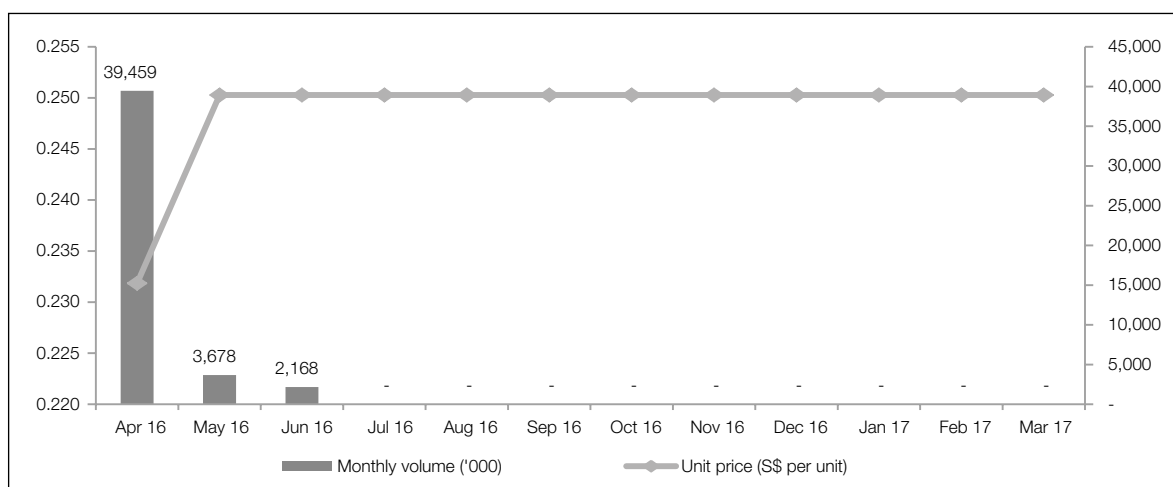
- (1) Dev Property Development Limited has a controlling interest in Ariston Investments Limited and pursuant to section 7(4) of the Companies Act Cap. 50, is deemed interested in the shares held by Ariston Investments Limited.
- (2) Shoxell Holdings Limited has a controlling interest in Grapene Limited (formerly known as Mixtel Co. Ltd.) and pursuant to section 7(4) of the Companies Act Cap. 50, is deemed interested in the shares held by Grapene Limited (formerly known as Mixtel Co. Ltd.)
- (3) Indiabulls Real Estate Limited ("IBREL") has a controlling interest in Dev Property Development Limited which in turn has a controlling interest in Ariston Investments Limited. IBREL also has a controlling interest in Shoxell Holdings Limited which in turns has a controlling interest in Grapene Limited (formerly known as Mixtel Co. Ltd.). IBREL has a controlling interest in Zeus Buildwell Limited which in turns has a controlling interest in Foundvest Limited and Indiabulls Property Management Trustee Pte. Ltd. Therefore, pursuant to section 7(4) of the Companies Act Cap. 50, Indiabulls Real Estate Limited is deemed interested in the shares held by Ariston Investments Limited, Grapene Limited (formerly known as Mixtel Co. Ltd.), Foundvest Limited and Indiabulls Property Management Trustee Pte. Ltd.
- (4) Farallon Capital Partners, L.P. is deemed to have an interest in the Trust by virtue of its power to directly or indirectly control or influence FIM Ltd in the dealing and exercise of the Trust units and the voting rights thereof.
- (5) Farallon Special Situation Partners II, L.P. is deemed to have an interest in the Trust by virtue of its power to directly or indirectly control or influence FIM Ltd in the dealing and exercise of the Trust units and the voting rights thereof.
- (6) Farallon Capital Institutional Partners, L.P. is deemed to have an interest in the Trust by virtue of its power to directly or indirectly control or influence FIM Ltd in the dealing and exercise of the Trust units and the voting rights thereof.
- (7) FIM Holding A, Ltd. is deemed to have an interest in the Trust by virtue of its power to directly or indirectly control or influence FIM Ltd in the dealing and exercise of the Trust units and the voting rights thereof.
- (8) Jupiter TM Ltd., is deemed to have an interest in the Trust by virtue of its power to directly or indirectly control or influence FIM Ltd in the dealing and exercise of the Trust units and the voting rights thereof.
- (9) Jupiter TM II Ltd., is deemed to have an interest in the Trust by virtue of its power to directly or indirectly control or influence FIM Ltd in the dealing and exercise of the Trust units and the voting rights thereof.
- (10) Each of the persons is deemed to have an interest in the Trust by virtue of his/her/its power to directly or indirectly

Treasury Units and Subsidiary Holdings

The Trust does not hold any treasury units and subsidiary holdings.

UNIT PRICE REVIEW

IPIT UNIT PRICE CHART AND MONTHLY TRADING VOLUME



TRADING PRICE

(1 April 2016 to 31 March 2017)

Highest Closing Price	\$ 0.260
Lowest Closing Price	\$ 0.186
31 March 2017 Closing Price	\$ 0.255
Highest Intra-Day Price	\$ 0.260
Lowest Intra-Day Price	\$ 0.185

NOTICE OF ANNUAL GENERAL MEETING

INDIABULLS PROPERTIES INVESTMENT TRUST

(Registration Number: 2008001)

(a business trust constituted on 7 May 2008 under the laws of the Republic of Singapore)

MANAGED BY

INDIABULLS PROPERTY MANAGEMENT TRUSTEE PTE. LTD.

(Company Registration Number: 200720456G)

(as Trustee-Manager of Indiabulls Properties Investment Trust)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of the unitholders of Indiabulls Properties Investment Trust ("IPIT", and unitholders of IPIT, "Unitholders") will be held at **Furama City Center, Ballroom 2, Level 5, 60, Eu Tong Sen Street, Singapore 059804 on Friday, 28 July 2017 at 2:00 p.m.**, to transact the following business:

AS ORDINARY BUSINESS:

- Resolution 1** To receive and adopt the Statement of Indiabulls Property Management Trustee Pte. Ltd., as trustee-manager of IPIT (the "Trustee-Manager") and the Audited Financial Statements of IPIT for the financial year ended 31 March 2017 together with the Auditors' Report thereon.
- Resolution 2** To appoint Grant Thornton Audit LLP as Auditors of IPIT to hold office until the conclusion of the next Annual General Meeting in place of the retiring Auditors, Ernst & Young LLP, and to authorise the Directors of the Trustee-Manager to fix their remuneration.

AS SPECIAL BUSINESS:

To consider and, if thought fit, pass the following ordinary resolution, with or without any modification:

- Resolution 3** That pursuant to Section 36 of the Business Trusts Act, Chapter 31A of Singapore (the "Business Trusts Act") and Clause 6.1 of the trust deed constituting IPIT (as amended) (the "Trust Deed"), authority be and is hereby given to the Trustee-Manager to:
- (a) (i) issue units in IPIT ("Units") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) issue Units in pursuance of any Instrument made or granted by the Trustee-Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued), provided that:
- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);
 - (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
 - (3) the 50% limit in sub-paragraph (1) above may be increased to 100% for issue of Units and/or Instruments by way of a renounceable rights issued where Unitholders are entitled to participate in the same on a pro-rata basis (“Enhanced Rights Issue Limit”).
 - (4) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), the Trust Deed and the Business Trusts Act for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
 - (5) unless revoked or varied by Unitholders in a general meeting, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of Unitholders or (ii) the date by which the next Annual General Meeting of Unitholders is required by law to be held, whichever is earlier;
 - (6) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Trustee-Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments and/or Units are issued; and

NOTICE OF ANNUAL GENERAL MEETING

- (7) the Trustee-Manager be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as it may consider expedient or necessary or in the interest of IPIT to give effect to the authority conferred by this Resolution.

By Order of the Board of Indiabulls Property Management Trustee Pte. Ltd.

as Trustee-Manager of Indiabulls Properties Investment Trust

Cheng Lisa
Company Secretary
Singapore

27 June 2017

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

Resolution 2

Ordinary Resolution 2 relates to the appointment of Grant Thornton Audit LLP ("GT") as Auditors of IPIT in place of the retiring Auditors, Ernst & Young LLP ("EY"), and to authorise the Directors of the Trustee-Manager to fix their remuneration. Please refer to the Appendix to this Notice of Annual General Meeting.

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST:

- (a) the outgoing Auditors of IPIT, EY, have confirmed in writing that they are not aware of any professional reasons why GT should not accept the appointment as Auditors of IPIT;
- (b) the Trustee-Manager confirms that there were no disagreements with the outgoing Auditors, EY, on accounting treatments within the last twelve (12) months of the date of this Notice of Annual General Meeting;
- (c) the Trustee-Manager confirms that, other than as set out in the Appendix to this Notice of Annual General Meeting, it is not aware of any circumstances connected with the proposed Change of Auditors that should be brought to the attention of Unitholders;
- (d) the specific reasons for the proposed Change of Auditors are disclosed in the Appendix to this Notice of Annual General Meeting; and
- (e) the Trustee-Manager confirms that it is in compliance with Rule 712 and Rule 715 of the Listing Manual of the SGX-ST in relation to the proposed appointment of GT as the Auditors of IPIT.

Resolution 3

Ordinary Resolution 3, if passed, will empower the Trustee-Manager from the date of this Annual General Meeting until (i) the date of the next Annual General Meeting of Unitholders or (ii) the date by which the next Annual General Meeting of Unitholders is required by the applicable regulations to be held, whichever is earlier, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding (i) 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) of which up to 20% may be issued other than on a pro-rata basis to Unitholders (excluding treasury Units and subsidiary holdings, if any), and (ii) additional 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) issued by way of renounceable rights issue on a pro rata basis in the capital of IPIT, provided that the total number of units which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued Units (excluding treasury shares and subsidiary holdings, if any).

Enhanced Rights Issue Limit

With regard to item (3), the mandate for the issue of Units pursuant to a pro-rata renounceable rights issue is subject to conditions set out in Practice Note 8.3 dated 13 March 2017. IPIT will release immediate announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in its annual report. The Board is of the view that the Enhanced Rights Issue Limit is in the interests of IPIT and Unitholders.

NOTICE OF ANNUAL GENERAL MEETING

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Notes:

1. A Unitholder entitled to attend and vote at the Annual General Meeting of Unitholders is entitled to appoint not more than two proxies to attend and vote in his/her stead. Where a Unitholder appoints more than one proxy, he shall specify the proportion of his unitholdings to be represented by each proxy. A proxy need not be a Unitholder.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Trustee-Manager at 38 Beach Road, #29-11, South Beach Tower, Singapore 189767, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Trustee-Manager (or its agents) for the purpose of the processing and administration by the Trustee-Manager (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Trustee-Manager (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Trustee-Manager (or its agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Trustee-Manager (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Trustee-Manager in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the accuracy of any the statements made, reports contained or opinions expressed in this Appendix.

If you are in any doubts as to the contents herein or as to the action you should take, you should consult your stockholder, bank manager, solicitor, accountant or other adviser immediately.

INDIABULLS PROPERTIES INVESTMENT TRUST

(a business trust constituted on 7 May 2008 under the Republic of Singapore)

Managed by Indiabulls Property Management Trustee Pte Ltd

(Co. Registration No. 200720456G)

**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING
DATED 27 JUNE 2017**

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

PROPOSED CHANGE OF AUDITORS

1. BACKGROUND

- 1.1 Ernst & Young (“**EY**”), the retiring Auditors, have served as External Auditors of Indiabulls Properties Investment Trust (“**IPIT**”), since the constitution of IPIT. EY was last re-appointed as Auditors at IPIT’s previous annual general meeting held on 5 July 2016 to hold office until the conclusion of the forthcoming AGM of IPIT to be held on 28 July 2017 (the “**2017 AGM**”).
- 1.2 For reasons mentioned in (3) below, IPIT received a letter from EY on 8 June 2017 giving notice that they would not seek re-appointment as Auditors of IPIT at the 2017 AGM. Indiabulls Property Management Trustee Pte. Ltd., the trustee-manager of IPIT (the “**Trustee-Manager**”) propose to seek the approval of unitholders of IPIT at the forthcoming 2017 AGM for Grant Thornton Audit LLP (“**GT**”) to be appointed Auditors, in place of the retiring Auditors, EY (the “**Proposed Change of Auditors**”).
- 1.3 The purpose of this Appendix is to provide unitholders with the relevant information pertaining to, and to explain the rationale for the Proposed Change of Auditors.

2. INFORMATION ON GT

- 2.1 GT is a member of Grant Thornton International Ltd (“GTI”). It provides audit, tax and advisory services.
- 2.2 The engagement partner-in-charge will be Jeffery William Vibert (“Mr Vibert”). He is a practising member of the Institute of Singapore Chartered Accountants and a public accountant registered with ACRA. He has more than 25 years’ experience working with the public and private sectors, through a combination of statutory audit assignments, mergers and acquisitions advice, financial advisory assignments, and the provision of accounting advice. Servicing clients in a number of industries, including manufacturing, technology and real estate and construction. He has extensive experience with servicing the audit requirements of multi-national and publically listed companies and entities with offshore activities.

Before joining GT in 2015, Mr Vibert was a partner of GT Australia. He was the group lead partner for United Overseas Australia Limited (ASX: UOS), a large listed Malaysian group focused in real estate development and investments. Included in the group is UOA Development Bhd (KLSE: UOADEV) and UOA Real Estate Investment Trust (KLSE: UOAREIT).

Mr Vibert is currently leader of assurances services in GT.

For the Trust business in India, GT will work with Grant Thornton network firm in India - Walker Chandio & Co (WCC) under SSA 600 arrangement. The India audit will be led by Neeraj Sharma (“Mr Sharma”). He is a qualified Chartered Accountant (FCA) with over 14 years of experience. Mr Sharma leads WCC’s Real Estate & Infrastructure Industry focus group. Some of the real estate clients where he plays the engagement and relationship roles include but are not limited to DLF Limited (NSE code: DLF) , Eldeco Group and M3M Group.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

- 2.3 GT has implemented Engagement Quality Control Review ("EQCR") for all audit engagements, and detailed quality reviews are performed by a central review team on selected audit engagements. Apart from EQCR, GT also undergoes GTI quality reviews on a periodic basis. GT and Mr Vibert have not been subject to Practice Monitoring Programme review as GT was set up by GTI in 2015.
- 2.4 For more information about GT, please visit <https://www.grantthornton.sg/en/>.

3. RATIONALE FOR THE PROPOSED CHANGE OF AUDITORS

- 3.1 EY India has been Auditors of IPIT's significant subsidiaries for 10 consecutive audits since inception. Pursuant to the statutory requirements in India, companies **are mandatorily required** to change audit firm after two terms of 5 years each and Auditors have to be given a break of 5 years after two consecutive tenures. Accordingly, EY representative office in India was unable to continue as Auditors of IPIT's subsidiaries for the next appointment due in 2017 AGM. In confirmation with the usual practice, EY Singapore has expressed their inability to serve as Auditors if the significant subsidiaries were not being audited by EY representative office in India.
- 3.2 IPIT's proposed change in Auditors is in line with the proposed change of Auditors to GT by its significant subsidiaries in India. A change of Auditors would also give greater efficiency for IPIT from a reporting perspective. The Trustee-Manager is therefore of the view that it would be timely to effect the Proposed Change of Auditors for the financial year ending 31 March 2018.
- 3.3 In view of the foregoing, IPIT has had discussions with several Auditors and found GT would be a suitable audit firm. Following a review and consideration of various factors, including the adequacy resources and experience to handle the audit, the audit engagement partner assigned to the audit has the appropriate level of experience and there will be an adequate number of suitably experienced supervisory and professional staff assigned to the audit, having due regard to the size, businesses and complexity of IPIT, IPIT is of the opinion that GT will be able to meet the audit requirements.
- 3.4 The appointment of GT would be effective upon obtaining the approval of unitholders at the 2017 AGM for the Proposed Change of Auditors. If approved, GT will hold office until the conclusion of the next annual general meeting of IPIT.
- 3.5 EY will retire and not seek re-appointment as Auditors of IPIT at the 2017 AGM, being end of current term.

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

4. CONFIRMATIONS

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) the outgoing Auditors of IPIT, EY, have confirmed in writing that they are not aware of any professional reasons why GT should not accept the appointment as Auditors of IPIT;
- (b) the Trustee-Manager confirms that there were no disagreements with the outgoing Auditors, EY, on accounting treatments within the last twelve (12) months of the date of this Appendix;
- (c) the Trustee-Manager confirms that, other than as set out above, it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of unitholders;
- (d) the specific reasons for the Proposed Change of Auditors are disclosed in paragraph 3 above; and
- (e) the Trustee-Manager confirms that it is in compliance with Rule 712 and Rule 715 of the Listing Manual of the SGX-ST in relation to the proposed appointment of GT as the Auditors of IPIT.

5. CONSENTS

Each of EY and GT have given and have not withdrawn their written consent to the issue of this Appendix with the inclusion of their name and all references thereto, in the form and context in which they appear in this Appendix.

6. AUDIT COMMITTEE'S STATEMENT

The Audit Committee has reviewed and deliberated the Proposed Change of Auditors, and after taking into consideration the suitability of GT and compliance with the Listing Manual, recommends the appointment of GT as the Auditors of IPIT in place of the retiring Auditors of IPIT, EY, to hold office until the conclusion of the next annual general meeting of IPIT.

7. DIRECTORS' RECOMMENDATION

The Directors, having taken into account the Audit Committee's recommendations, are satisfied that GT will be able to meet the audit requirements of IPIT and are of the opinion that the proposed appointment of GT as Auditors of IPIT in place of the retiring Auditors, EY, is in the best interests of IPIT and accordingly recommend that unitholders vote in favour of the ordinary resolution relating to the Proposed Change of Auditors to be proposed at the forthcoming 2017 AGM.

PROXY FORM

INDIABULLS PROPERTIES INVESTMENT TRUST

Registration No. 2008001

(a business trust constituted on 7 May 2008 under the Business Trusts Act, Chapter 31A of Singapore)

Managed by Indiabulls Property Management Trustee Pte. Ltd.
(Co. Reg. No. 200720456G)

Total number of Units in:	No. of Units
(a) CDP Register	
(b) Register of Unitholders	

NINTH ANNUAL GENERAL MEETING

(Before filing this form, please read the notes overleaf)

I/We, _____ (Name and NRIC/ Passport/

Company Registration Numbers) of _____ (Address)

being a Unitholder/Unitholders of Indiabulls Properties Investment Trust ("the Trust"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Unitholding (%)
(a)			
and/or (delete as appropriate)			
(b)			

or failing either or both of the persons referred to above, the Chairman of the Ninth Annual General Meeting of the Trust (the "Meeting"), as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Meeting to be held at Furama City Center, Ballroom 2, Level 5, 60, Eu Tong Sen Street, Singapore 059804 on Friday, 28 July 2017 at 2:00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/their discretion as he/they will on any other matter arising at the Meeting. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

Please indicate your vote "For" or "Against" with a tick [✓] within the box provided

NO.	RESOLUTION	FOR	AGAINST
1.	Adoption of the Statement of the Trustee-Manager and the Audited Financial Statements of IPIT, for the financial year ended 31 March 2017, together with the Auditor's Report thereon.		
2.	Appointment of Grant Thornton Audit LLP as Auditors of IPIT and to hold office until the conclusion of the next Annual General Meeting in place of the retiring Auditors, Ernst & Young LLP and authorisation of the Directors of the Trustee-Manager to fix their remuneration.		
3.	Authority to the Trustee-Manager of IPIT to issue new units in IPIT and to make or grant instruments convertible into Units in IPIT.		

Dated this _____ day of _____ 2017.



Signature of Unitholder(s) or common seal of Corporate Unitholder

Notes:

1. Please insert the total number of units in the Trust ("Units") held by you. If you have Units entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, (Cap 289)), you should insert that number of Units. If you have Units registered in your name in the Register of Unitholders, you should insert that number of Units. If you have Units entered against your name in the Depository Register and Units registered in your name in the Register of Unitholders, you should insert the aggregate number of Units entered against your name in the Depository Register and registered in your name in the Register of Unitholders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Units held by you.
2. A unitholder of the Trust ("Unitholder") entitled to attend and vote at a meeting of the Trust is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.
3. Where a Unitholder appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her unitholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a Unitholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Meeting in person, and in such event, the Trustee-Manager reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Trustee-Manager at 38 Beach Road, #29-11, South Beach Tower, Singapore 189767 not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
8. All Unitholders will be bound by the outcome of the Meeting regardless of whether they have attended or voted at the Meeting.

General:

The Trustee-Manager shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Units entered in the Depository Register, the Trustee-Manager may reject any instrument appointing a proxy or proxies lodged if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Trustee-Manager.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 June 2017.

Trustee-Manager

Indiabulls Property Management Trustee
Pte. Ltd.

#22-00, The Octagon 105 Cecil Street
Singapore 069534

Registered Office

38 Beach Road, #29-11
South Beach Tower, Singapore 189767
Phone: +65 6808 1600
Fax: +65 6808 1616

Company Secretary

Cheng Lisa
38 Beach Road, #29-11
South Beach Tower, Singapore 189767

Auditors

Ernst & Young LLP
One Raffles Quay, North Tower,
Level 18, Singapore 048583
Partner in charge: Tham Chee Soon
(since financial period ended 31 March 2014)

Indiabulls Properties Private Limited

C.S. No. 841/882, Jupiter Mills,
Balasheth Murudkar Marg,
Elphinstone Road,
Mumbai 400 013 – India

Indiabulls Real Estate Company Private Limited

C.S. No. 612/613, Elphinstone Mills,
Senapati Bapat Marg, Elphinstone,
Mumbai 400 013 – India

Unit Registrar

Boardroom Corporate &
Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

