

INDIABULLS PROPERTIES INVESTMENT TRUST
(a business trust registered under the Business Trusts Act, Chapter 31A of Singapore)
(Reg. No: 2008001)

FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2017

1(a) (i) Consolidated Income Statement for the second quarter ended 30 September 2017

Particulars	Note	Group 1 July 2017 to 30 September 2017 S\$,000	Group 1 July 2016 to 30 September 2016 S\$,000	Change %
Property income				
Base rent	(a)	27,269	22,348	22
Operations and maintenance income	(b)	3,385	2,834	19
Car park and other income	(c)	477	497	(4)
Revenue from sales of Development Properties	(m)	12,503	-	N.M.
Total income		43,634	25,679	70
Property expenses				
Cost of sales	(m)	(10,515)	-	N.M.
Advertisement	(d)	(5,407)	(725)	646
Operating maintenance and security	(e)	(3,546)	(3,344)	6
Legal and professional fees	(f)	(1,217)	(915)	33
Other operating expenses	(g)	(5,698)	(5,130)	11
Total property expenses		(26,383)	(10,114)	161
Net property income		17,251	15,565	11
Finance costs	(h)	(17,122)	(15,963)	7
Trust expenses				
Trustee fee	(i)	(106)	(110)	(4)
Management fee – Base	(j)	(1,321)	(1,367)	(3)
Management fee – Performance	(j)	(690)	(623)	11
Other trust operating expenses	(k)	(82)	(57)	NM
Loss before tax		(2,070)	(2,555)	(19)
Income tax	(l)	152	-	N.M.
Loss for the period		(1,918)	(2,555)	(25)

N.M. – not meaningful

Notes:

- (a) In the financial quarter ended 30 September 2017, Indiabulls Properties Investment Trust (“IPIT” or the “Trust”) earned rental income of S\$27.3 million (financial quarter ended 30 September 2016: S\$22.3 million). The increase in rental income is primarily due to the increase in the cash rental commencement on the area under lease agreement.

In accordance with the applicable accounting policies and method as stated at note 3.3 (a) “Base rent and amenities income” on page 84 of IPIT’s Annual Report for the financial year ended 31 March 2017 (the “IPIT 2017 AR”), which states:

“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.”

In the financial quarter ended 30 September 2017, an amount of S\$0.7 million is excluded (financial quarter ended 30 September 2016: S\$0.1 million included) in the calculation of base rent on account of this treatment, and hence, is adjusted in the distributable income disclosed in the “Distribution Statement” in section 1(a)(iii) below as the cash of S\$0.7 million was received by IPIT but excluded from base rent computation in the income statement.

- (b) Operations and maintenance income is the income arising from charges to tenants and is recognised in the period in which services are rendered. The increase in operations and maintenance income is primarily due to increase in area leased to tenants.
- (c) Car park income is recognised in the period in which the services are rendered. Other income consists primarily of costs reimbursed by Indiabulls Property Management Trustee Pte. Ltd., as the trustee-manager of IPIT (the “Trustee-Manager”) to IPIT subsidiaries under the services agreement relating to the engagement of investment advisory and asset management services and interest income.
- (d) Advertisement cost is in relation to the advertisement and marketing of the properties in the IPIT Group’s portfolio. Please note that while the properties are still being actively marketed, this expense may have significant variance quarter on quarter.
- (e) Operating maintenance and security expenses relate to charges incurred for the maintenance and upkeep of the properties in the IPIT Group’s portfolio. These costs are recovered from tenants of the properties in the IPIT Group’s portfolio in respect of the area occupied. These expenses are also incurred in respect of the vacant area.

- (f) In accordance with the disclosure in the prospectus of IPIT dated 2 June 2008 (the “Prospectus”) and as stated in the Property Management Agreements¹, Indiabulls Real Estate Limited (“IBREL”), in its capacity as the property manager of the properties in IPIT’s portfolio (the “Property Manager”) is entitled to :

- (1) lease management fees of S\$ 302,000 (financial quarter ended 30 September 2016: S\$249,000). The fees relate to 1.0% of the Gross Revenue² of the Trust Property (as defined in the Business Trusts Act, Chapter 31A of Singapore); and
- (2) property management fees of S\$ 603,000 (financial quarter ended 30 September 2016: S\$498,000). The fees relate to 2.0% of the Gross Revenue of the Trust Property.

There are also miscellaneous expenses of S\$ 312,000 (not paid to the Property Manager) (financial quarter ended 30 September 2016: S\$168,000) in relation to other professional fees that are not part of the fees above.

- (g) Other operating expenses are mainly in relation to general management services, rates and taxes and other expenses in relation to expenses in relation to the site security, repairs and maintenance, electricity and water expenses, printing and stationery, insurance, exchange revaluation, administration fees for foreign subsidiaries of IPIT and depreciation. The net increase in the other operating expenses is mainly due to the interest of S\$ 1.5m (financial quarter ended 30 September 2016: S\$ Nil) provided for in the income statement on the refund of deposits received from the relevant customers of Sky Suites. 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 are being dealt with as per the terms of booking agreed with such customers which envisages a refund along with interest.

- (h) In accordance with the applicable accounting policies and method as stated at note 3.18 “Borrowing costs” on page 99 of IPIT 2017 AR:

“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 the income statement 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”.

Accordingly, finance cost is capitalised from the commencement of the development work until the date of completion. Subsequent to the date of completion of the development work, the borrowing costs in relation thereto are expensed in the income statement in the period in which they occur. Borrowings costs are incurred in relation to the specific borrowings and general borrowings. Specific borrowings are the borrowings with specified end-use defined as per the loan terms and are accordingly identified with the asset. The general borrowings have been identified with the assets in reference to their usage based on the funds allocation.

IAS 23 “Borrowing Costs” also states that “an entity shall suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset”. Hence, interest expense incurred during the suspension of active development has been recognised in the Consolidated Income Statement.

- (i) Under the trust deed dated 7 May 2008 constituting IPIT (as amended) (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.

¹ “Property Management Agreements” refer to the property management agreement entered into between IPPL and the Property Manager (as defined herein) on 7 May 2008 and the property management agreement entered into between IRECPL and the Property Manager on 7 May 2008, for the management of the operations and maintenance of the properties in IPIT’s portfolio.

² “Gross Revenue” has the meaning assigned to it in the prospectus.

- (j) In accordance with the disclosure in the Prospectus, the Trustee-Manager is entitled to the (i) base component of the management fee (the “Base Fee”) and (ii) the performance component of the management fee (the “Performance Fee” and together with the Base Fee, the “Management Fee”) payable to the Trustee-Manager under the Trust Deed. The fees have been calculated on the basis of the provisions of the Trust Deed as summarised on page 18 of the Prospectus. The Base Fee is 0.25% per annum of the aggregate value of IPIT’s Trust Property. The Performance Fee is 4.0% per annum of IPIT’s net property income. The increase in IPIT’s net property income has resulted in increase in the Performance Fee. The Trustee-Manager has elected to receive the 100% of Management Fee in cash for the financial quarter ended 30 September 2017.
- (k) Other Trust operating expenses relate to the expenses at the trust level including professional fees, general and administration charges, etc.
- (l) The income tax (non-cash) credit during the financial quarter ended 30 September 2017 is primarily in respect of the reversal of the deferred tax liability arising from sale of Indiabulls Sky residential apartments on completed contract method. Due to the existing taxable losses in the entity, no income tax was recognised / payable on sale of the apartments.
- (m) In accordance with the accounting policies and practices consistently adopted by IPIT and as stated in note 3.3 (e) on page 85 of the IPIT 2017 AR, “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.” Further as stated at note 3.9 “Development Properties (held-for-sale)” on page 89 of IPIT 2017 AR, “The cost of development properties (held-for-sale) 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.”

Accordingly, in the financial quarter ended 30 September 2017, IPIT has earned revenue of S\$12.5 million (financial quarter ended 30 September 2016: S\$Nil million) on its Indiabulls Sky residential apartments on completed contract method and recognised amount of S\$10.5 million as Cost of Sales (financial quarter ended 30 September 2016: S\$ Nil million) in respect of sales of the apartments for which revenue is recognized on completed contract method.

1(a) (ii) Statement of Comprehensive Income -

	Group 1 July 2017 to 30 September 2017 S\$'000	Group 1 July 2016 to 30 September 2016 S\$'000
Loss for the period	(1,918)	(2,555)
Items that will not be subsequently reclassified to profit or loss		
Translation difference arising from conversion of functional currency into presentation currency (S\$) (see note below)	(22,071)	30,625
Total comprehensive income for the period attributable to unitholders of IPIT (“Unitholders”)	(23,989)	28,070

Note:

The movement under the caption “Translation difference arising from conversion of functional currency into presentation currency” disclosed in the “Statement of Comprehensive Income” above is non-cash and purely in respect of the translation differences due to the movement in the conversion rates of the underlying currencies. The above treatment is consistent with the accounting policies as disclosed in note 3.4 “Functional

Currency and Foreign currency translation” to the audited financial statements on page 85 of the IPIT 2017 AR:

“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 functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign exchange rate of exchange ruling at the balance sheet date. All differences are taken to the 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 balance sheet 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.

1(a) (iii) Distribution Statement

	Group 1 July 2017 to 30 September 2017 S\$'000	Group 1 July 2016 to 30 September 2016 S\$'000	Group 1 April 2017 to 30 September 2017 S\$'000	Group 1 April 2016 to 30 September 2016 S\$'000
Loss for the period	(1,918)	(2,555)	(474)	(3,929)
Distribution adjustments (<i>see Note1</i>)	164	(805)	(1,284)	(1,034)
Total unitholders distribution³	(1,754)	(3,360)	(1,758)	(4,963)
Note 1 :				
Distribution adjustments comprise the items below:				
Straight lining of rental income (see note (a) of Consolidated Income Statement)	670	(116)	901	(206)
Marketing commission ⁴	(621)	(894)	(1,309)	(1,235)
Depreciation	267	205	476	408
Foreign exchange gain	-	-	-	(1)
Deferred Tax / Income tax changes (see note (l) of Consolidated Income Statement)	(152)	-	(1,352)	-
Net effect of distribution adjustments	164	(805)	(1,284)	(1,034)

³ Under the Trust Deed, distributions shall be paid on a semi-annual basis for the six-month period ending 31 March and 30 September of each year.

⁴ As per the Property Management Agreement, the Property Manager is entitled to commission for new tenancies, renewal of existing tenants, leasing of additional space by existing tenants of the Trust Property. This is a cash expense for the Trust but as per the applicable accounting policies this is included in the carrying cost of the investment properties and hence not included in the consolidated income statement. Accordingly, the marketing commission has been disclosed as the distribution adjustment.

1(b) (i) Statement of Financial Position (for the IPIT Group) as at 30 September 2017

	Note	Group	Group
		30 September 2017	31 March 2017
		S\$'000	S\$'000
ASSETS			
Non-current assets			
Plant and equipment	(a)	11,069	12,294
Investment properties	(b),(l)	1,369,998	1,415,408
Total non-current assets		1,381,067	1,427,702
Current assets			
Cash and cash equivalents	Section 1(c)	53,533	5,932
Available for Sale Investments	(c)	-	6,786
Pledged fixed deposits	Section 1(c) note (b)	11,778	10,020
Prepayments	(d)	203,734	333,767
Trade and other receivables	(e)	66,317	19,664
Other current assets	(f)	50,553	43,486
Development Properties (held-for-sale)	(g),(l)	624,214	714,283
Total current assets		1,010,129	1,133,938
Total assets		2,391,196	2,561,640
LIABILITIES			
Current liabilities			
Interest bearing loans and borrowings	Section 1(b)(ii)	126,715	66,785
Trade and other payables	(h)	37,367	107,006
Total current liabilities		164,082	173,791
Non-current liabilities			
Interest bearing loans and borrowings	Section 1(b)(ii)	743,426	799,113
Trade and other payables	(i)	61,846	70,250
Other non-financial liability	(j)	373,750	430,171
Deferred tax liabilities	(k)	122,713	128,585
Total non-current liabilities		1,301,735	1,428,119
Total liabilities		1,465,817	1,601,910
NET ASSETS		925,379	959,730
UNITHOLDERS' FUNDS			
Unitholders' funds		925,379	959,730

Notes:

- (a) The plant and equipment consist of the plant and machinery and construction equipment and other site-related costs. The plant and equipment was lower primarily due to the depreciation on plant and equipment.
- (b) Investment properties comprise completed properties held to earn rentals or for capital appreciation or both and investment property under construction. Please also refer to section 8 of this results announcement.
- (c) Available-for-sale investments are investments in money market funds with daily liquidity that can be readily converted into cash. As part of liquidity management and to ensure that idle cash achieve high returns while retaining liquidity, IPIT, like most other corporations, invests in money market funds on a short term basis. As part of managing liquidity in an efficient manner, the Trust routinely invests and redeems such investments at various points in time. Please also refer to the Consolidated Cash Flow Statement in section 1(c) of this announcement.
- (d) Prepayments relate primarily to construction-related advances paid out to various vendors for construction-related work and material supplies. Upon completion of the identified construction work or use of the material supplies that the advances relate to, the prepayments are transferred to Development Properties (held-for-sale) and / or investment properties. The decline in prepayments is mainly due to refund of advances from vendors for construction related work in relation to earlier planned residential apartments in Sky Suites. Please refer to our earlier announcements in regards to the proposed change of use for Sky Suites from residential to office and also section 8 of this results announcement.
- (e) Trade and other receivables consist of trade debtors i.e. receivables from tenants in respect of base rent (and fit out rental income), other ancillary services and taxes thereon, advance for expenses, deposits paid for the electricity and water connections at project site etc. The increase in trade and other receivables is primarily due to the revenue recognized on the Indiabulls Sky residential apartments on completed contract method.
- (f) Other current assets consist primarily of the input service tax recoverable, goods and service tax and tax deducted at source against the income received from tenants for the leasing of space and advance payments made for the residential projects by interested buyers. According to the indirect tax regime in India, input service tax/ goods and service tax paid on construction services is available to be offset against the output tax liability when the revenue is earned. The tax deducted at source by the tenants from the payments made to the company, against the rental, maintenance and car-park income, can be either refunded to the company or utilized for offset against the tax liability in accordance with the existing tax regime. The increase in other current assets is mainly due to the advance tax /tax deducted at source from the income received from tenants during the quarter.
- (g) Development Properties (held-for-sale) comprise properties being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, measured at the lower of cost and net realisable value. Please also refer to section 8 of this results announcement. The decline is primarily due to the costs of development property recognized as cost of sales in the consolidated income statement for the quarter ended 30 September 2017 on account of revenue recognized on the Indiabulls Sky residential apartments based on completed contract method.
- (h) Trade and other payables (current) consist mainly of payables in respect of construction related costs and refund along with interest to relevant customers towards booking of residential apartments in Sky Suites. Please also refer to section 8 of this results announcement. This also includes taxes, statutory dues, advance for rent/ security deposits (current), and other expenses payable in the ordinary course of business. The decline in payables is primarily due to refund along interest of deposits received on booking of residential apartments in Sky Suites.

- (i) Trade and other payables (non-current) represent mainly the initial security deposit received from tenants for the leasing of space in the properties in the IPIT Group's portfolio and other miscellaneous non-current liabilities. The decline in Trade and other payables (non-current) is mainly due to the reclassification of the security deposits in relation to the leases expiring within next one year to Trade and other payables (current).
- (j) Other non-financial liability relates to deposits / advance payments made for the IPIT Group's residential projects by interested buyers. Please note that while the properties are being marketed, other non-financial liability may have significant variance quarter on quarter. The sales of units at the residential developments are recognised in accordance with the accounting policies as disclosed in the audited financial statements for the financial year ended 31 March 2017. Please refer to note 3.3 (d) on page 84 and 3.3 (e) on page 85 of the IPIT 2017 AR which states that "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." Hence, in accordance with IFRS, income from sale of the residential component will be recognised only after the construction is complete and the significant risks and returns have been transferred to the buyer.

The decline in Other non-financial liability is primarily due to deposits from Indiabulls Sky customers adjusted against the debtors on account of revenue recognized on the Indiabulls Sky residential apartments based on completed contract method. Please refer to note (m) to section 1 (a) (i) of this announcement.

- (k) Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
- (l) In the Consolidated Balance Sheet as at 30 September 2017, there is net decrease in investment and development properties from 31 March 2017 of S\$135 million. The net decrease in investment and development properties is primarily on account of –
- The classification of development property cost of aggregate S\$95 million in relation to Indiabulls Sky apartments for which revenue recognised in income statement on completed contract method during the financial quarter ended 30 June 2017 and 30 Sep 2017. Please also refer to note (m) to section 1 (a) (i) of this announcement and results announcement for the quarter 30 June 2016; and
 - the appreciation of SGD against INR as at 30 September 2017 (closing rate) as compared to 31 March 2017 (closing rate).

1(b) (ii) Aggregate amount of IPIT Group's borrowings

	As at 30 September 2017		As at 31 March 2017	
	Repayable in one year or less S\$'000	Repayable after one year S\$'000	Repayable in one year or less S\$'000	Repayable after one year S\$'000
Secured borrowings				
- Term loan	77,201	701,820	66,785	733,334
- Non – Convertible Debenture	-	41,606	-	65,779
Unsecured borrowings	49,514	-	-	-

The details on the facilities availed are as below

- Loans from Bank of Baroda, Bank of India and Central Bank of India aggregating to S\$ 692.7 million. The original loan tenure for these loans is in the range of 9 years to 12 years; and
- Loan from Syndicate Bank, aggregating to S\$ 86.3 million for which the original loan tenure is 4 years.
- Non- Convertible Debenture of S\$41.6 million for which the original loan tenure is 3 years
- ICD of S\$ 49.5 million for which the original loan tenure is less than one year

The interest rate on the loans range from 8.3% to 9.1 % and the weighted average interest rate on the loans availed is 8.5% (financial quarter ended 31 March 2017:8.6%).

As at 30 September 2017, IPIT Group's borrowings are secured by registered indenture of mortgage deed on properties in IPIT's portfolio and also receivables on investment properties. As disclosed in earlier announcements, there is a requirement that the Sponsor holds, directly or indirectly, at least 26% of the total number of IPIT units in issue (this condition is satisfied). There are also other financial covenants (that are typical of loans associated with real estate assets) like fixed asset cover and cumulative cash flow cover to be maintained during the tenor of loan facilities.

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 limit⁵ 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 30 September 2017 was 42% of the value of the Trust Property. Borrowings were S\$870.1 million and cash and cash equivalents were S\$53.5 million.

⁵ With effect from 1 January 2016 the Aggregate Leverage (as defined in the Property Fund Appendix) of the Trust shall not exceed 45% of the value of the IPIT's Trust Property

1(b) (iii) Statement of Financial Position (for the Trust) as at 30 September 2017

	Trust	
	30 September 2017	31 March 2017
	S\$'000	S\$'000
ASSETS		
Non-current asset		
Investment in subsidiaries	943,830	978,441
Total non-current asset	943,830	978,441
Current assets		
Cash and cash equivalents	3	5
Prepayments	28	23
Trade and other receivables	1,212	1,230
Other current assets	157	168
Total current assets	1,400	1,426
Total assets	945,230	979,867
LIABILITY		
Current liability		
Trade and other payables	5,590	429
Total current liability	5,590	429
Non-current liability		
Trade and other payables	19,010	19,708
Total non-current liability	19,010	19,708
Total liabilities	24,600	20,137
NET ASSETS	920,630	959,730
UNITHOLDERS' FUNDS	920,630	959,730
Unitholders' funds		

1(c) Consolidated Statement of Cash Flows for the quarter ended 30 September 2017

	Note	Group	Group
		1 July 2017 to 30 September 2017	1 July 2016 to 30 September 2016
		S\$'000	S\$'000
Operating activities			
Loss before tax for the period		(2,070)	(2,555)
Adjustments for:			
Finance costs		17,531	16,707
Interest income		(389)	(607)
Dividend income		(20)	(136)
Straight lining of rental income		670	(116)
Foreign exchange gain		-	-
Depreciation		267	205
Others		594	(34)
Operating cash flow before changes in working capital		16,583	13,464
Changes in working capital:			
Decrease in prepayments		107,148	886
(Increase) / Decrease in other current assets and trade and other receivables		(4,983)	1,132
(Decrease) / Increase in trade and other payables and other non-financial liability		(40,942)	13,647
Increase in development properties		(738)	(11,735)
Total changes in working capital		60,485	3,930
Cash flow generated in operation		77,068	17,394
Finance costs		(17,531)	(16,707)
Income tax (see note (f) of Statement of Financial Position)		(4,186)	(2,981)
Net cash flow generated from / (used in) operating activities		55,351	(2,294)
Investing activities			
Additions to plant and equipment		(1,733)	(108)
Additions to Investment Properties		(1,805)	(2,718)
Purchase of available-for-sale investments	(a)	(305,369)	(1,547,373)
Sale of available-for-sale investments	(a)	323,162	1,512,567
Interest income received		313	439
Dividend income received		74	521
Net cash flow from / (used in) investing activities		14,642	(36,672)

INDIABULLS PROPERTIES INVESTMENT TRUST
ANNOUNCEMENT OF RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017

Financing activities			
Proceeds from interest bearing loans and borrowings		132,678	173,978
Repayment of interest bearing loans and borrowings		(162,266)	(92,598)
Fixed deposits pledged with a bank		(8,363)	(1,371)
Redemption of fixed deposits pledged with a bank		11,753	20
Net cash flow from financing activities	section 1(b) (ii)	(26,198)	80,029
Net increase in cash and cash equivalents		43,795	41,063
Cash and cash equivalents at the beginning of the period		9,970	23,246
Effect of exchange rate change on cash and cash equivalents		(232)	592
Cash and cash equivalents at end of period	(b)	53,533	64,901

Notes:

- (a) The S\$305.4 million of purchase and S\$323.2 million sale of the available-for-sale investments is the cumulative effect of investments and redemption of these instruments for the financial quarter ended 30 September 2017. The “available-for-sale investments” are investments in money market funds with daily liquidity that can be readily converted into cash. As part of managing liquidity in an efficient manner, the Trust routinely invests and redeems such investments at various points in time. The average daily balance during the financial quarter was only S\$12.5 million. The investments were made in liquid mutual funds which invest a large portion of its assets in liquid, cash and near cash instruments with low credit risk and duration risk. Ordinarily, these investments can be redeemed or sold on any given business day. As part of liquidity management and ensuring that idle cash achieves high return while retaining liquidity, IPIT, like most other corporations, invests in money market funds on a short term basis. In our opinion, it is prudent for the Trust to generate positive return in this manner with minimal level of risks while ensuring high liquidity. As per applicable accounting standards, sale and purchase of “available-for-sale investments” should be disclosed as a separate line item on gross basis.
- (b) The IPIT Group’s cash and cash equivalents was S\$53.5 million as at 30 September 2017. In addition to the cash and cash equivalents, the IPIT Group had pledged fixed deposit of S\$11.8 million (as at 30 June 2017: S\$15.5 million), of which S\$10.2 million (as at 30 June 2017 S\$13.9 million) is in relation to security provided in Debt Service Reserve Account (“DSRA”) with a financial institution in relation to the loan availed and the balance S\$1.6 million (as at 30 June 2017 S\$1.6 million) is pledged with a bank to avail of 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.

1(d)(i) Consolidated Statement of Changes in Unitholders' Funds (Group)

< -- Attributable to Unitholders of the Trust -->

	Units in issue	Units to be issued	Foreign currency translation reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2017	3,102,916	-	(743,502)	(1,410,046)	949,368
Loss for the period	-	-	-	(1,918)	(1,918)
Foreign currency translation	-	-	(22,071)	-	(22,071)
Total comprehensive income for the period	-	-	(22,071)	(1,918)	(23,989)
Balance as at 30 September 2017	3,102,916	-	(765,573)	(1,411,964)	925,379

< -- Attributable to Unitholders of the Trust -->

	Units in issue	Units to be issued	Foreign currency translation reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2016	3,102,916	-	(828,453)	(1,069,799)	1,204,664
Loss for the period	-	-	-	(2,555)	(2,555)
Foreign currency translation	-	-	30,625	-	30,625
Total comprehensive income for the period	-	-	30,625	(2,555)	28,070
Balance as at 30 September 2016	3,102,916	-	(797,828)	(1,072,354)	1,232,734

Statement of changes in Unitholders' Funds (Trust)

< -- Attributable to Unitholders of the Trust -->

	Units in issue	Units to be issued	Foreign currency translation reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2017	3,102,916	-	(729,764)	(1,427,781)	945,371
Loss for the period	-	-	-	(2,777)	(2,777)
Foreign currency translation	-	-	(21,964)	-	(21,964)
Total comprehensive income for the period	-	-	(21,964)	(2,777)	(24,741)
Balance as at 30 September 2017	3,102,916	-	(751,728)	(1,430,558)	920,630

Statement of changes in Unitholders' Funds (Trust)

	Units in issue	Units to be issued	Foreign currency translation reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2016	3,102,916	-	(819,117)	(1,022,910)	1,260,889
Loss for the period	-	-	-	(2,659)	(2,659)
Foreign currency translation	-	-	32,054	-	32,054
Total comprehensive income for the period	-	-	32,054	(2,659)	29,395
Balance as at 30 September 2016	3,102,916	-	(787,063)	(1,025,569)	1,290,284

1(d) (ii) Details of any changes in the issued and issuable Units (Trust)

	30 September 2017 in '000	30 September 2016 in '000
Number of issued Units at beginning of financial period	754,029	754,029
Issue of new Units:	-	-
- Management fee paid in Units		
Number of issued Units at end of financial period	754,029	754,029
- Management fee payable in Units	-	-
Number of issued and issuable Units at end of financial period	754,029	754,029

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

IPIT Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the financial year ended 31 March 2017, except that the Group has adopted certain financial reporting standards that became effective for the financial year. The adoption of the financial reporting standard did not give rise to any impact to the Group's financial position and financial performance.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Refer note 4.

6. Earnings per Unit / Distribution per Unit (“DPU”) for the financial period (Group)

Earnings per unit

	1 July 2017 to 30 September 2017	1 July 2016 to 30 September 2016
Weighted average number of Unit for the period (in '000)	754,029	754,029
Profit/(loss) per Unit in cents (basic and diluted)	(0.254)	(0.339)

7. Net asset value (“NAV”) per Unit based on Units issued at the end of the period

	30 September 2017	31 March 2017
Net asset value per Unit (cents) (Group)	122.72	127.28
NAV per Unit (cents) (Trust)	122.09	127.28

8. Review of performance

IPIT earned S\$27.3 million of rental income in the financial quarter ended 30 September 2017 from the completed commercial component of the properties comprising One Indiabulls Centre and Indiabulls Finance Centre. Net property income for the financial quarter ended 30 September 2017 was S\$17.3 million. The total area that has been leased out at the properties is approximately 3.1 million sq. ft. at an average rental of approximately Rs.147 per sq. ft. per month (September 2016 - approximately 2.9 million sq. ft. leased out at an average rental of approximately Rs.145 per sq. ft. per month). The occupancy rate was 93% at the completed commercial component of the properties comprising One Indiabulls Centre and Indiabulls Finance Centre. Indiabulls Sky has been completed while Sky Forest has reached 42nd floor. The Trustee-Manager’s current intention is to develop Sky Suites as an office development instead of residential development (please refer earlier announcements in regards to the proposed change of use for Sky Suites from residential to office). While the plans 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. 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 are being dealt with as per the terms of booking agreed with such customers which envisages a refund along with interest.

9. Variance between the forecast and actual numbers

Please note that no forecast has been provided in relation to the quarter covering 30 September 2017. Having said that, our experience has been broadly in line with what has been disclosed in paragraph 10.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

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 including in the micro market where IPIT assets are located. The

office and the residential property sectors in India had already been sluggish prior to the demonetisation, with less demand and greater supply.

As per the reports below, against the backdrop of demonetisation drive and the announcement of Real Estate (Regulation and Development) ("RERA") implementation, residential market sentiment remained suppressed. In the office market, amidst the backdrop of stable supply and tenant favourable market, rents should remain stable. Our experience has been consistent with this.

RESIDENTIAL MARKET- As per Colliers International – Research and Forecast Report – Mumbai Residential- H1 2017⁶ (Extract only)

- Against the backdrop of the demonetisation drive and announcement of RERA implementation, market sentiment was suppressed and impacted the new project launches significantly during H2 2016.
- As buyers' preference was skewed towards ready-to-move-in properties in the luxury secondary market owing to uncertainty in the primary market due to RERA, developers refrained from launching luxury product in the market. During H1 2017, about 58% of the new launches were in the mid-end segment, whereas luxury and high end properties represented only 17% and 25% share in the total new launches.

Colliers' View

- For the past six months, the primary market was in a pause mode with very few launches as developers were trying to complete registration formalities with the RERA regulatory authority. For the same reason, buyers are also in a wait-and-see mode, but once project registration is in full swing, buyer sentiment is likely to improve. In addition, developers may offer discounts in the upcoming festive season of Ganesh Chaturthi in the month of September, thus giving a further boost to the buyer sentiment.

PRICE MOVEMENT IN SELECT LOCATION – (Extract Only)

LOCATION	MICRO-MARKET	PRICE RANGE IN H1 2017 (RS/SQ FT)	12 MONTH CHANGE	6 MONTH CHANGE
Lower Parel*	Central Mumbai	25,000-36,000	1%	0%

MICRO-MARKET AND LOCATIONS- (Extract Only)

MICRO-MARKET	LOCATIONS
Central Mumbai	Dadar, Lower Parel*, Mahalakshmi, Worli, Prabhadevi

* Lower Parel is the micro market where IPIT properties are located

⁶Source: Colliers International – Research and Forecast Report – Mumbai Residential – H1 2017 India 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 Colliers International 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.

OFFICE MARKET- As per Colliers International – Colliers Quarterly – Mumbai Office – Q2 2017⁷ (Extract only)

- Gross absorption was recorded at 1.2 million sq ft (0.1 million sq m) in Q2 2017. Except for a few large transactions, the average deal size remained low at 15,400 sq ft (1,430 sq m). Despite a 29% decline in transaction volume from Q1 2017, we expect absorption to improve in Q3, with a few large size transactions in the pipeline totalling to 0.75 million sq ft (70,000 sq m).
- Banking and financial services sector accounted for the largest footprint in the Mumbai leasing market with 23% of the total absorption pie. It was closely followed by healthcare and pharmaceutical sector with a 22% share, technology sector (20%) and other companies in education, shipping, logistics, tourism, etc. (20%), engineering & manufacturing (9%) and consulting (6%).
- Availability of healthy supply led to increased leasing momentum in the Western suburbs which accounted for 33% of total leasing. Within Western suburbs, occupiers focused on the Andheri micromarket. Other preferred locations like Navi Mumbai, Central suburbs, and Central Mumbai accounted for 22%, 21% and 14% respectively; while the CBD and BKC both represented an 10% share.
- With major projects such as Times Square Tower D, Rustomjee Central Park, Codename Smash Hit, Gigaplex Tower 3, etc. slated for completion in 2017, we can see a strong supply pipeline of 4 million sq ft (372,000 sq m) in upcoming quarters. Most of this supply is concentrated in locations such as Andheri, Navi Mumbai and LBS. In a bid to consolidate and move to affordable locations, a few companies have recently vacated their office spaces in locations such as Andheri, Goregaon and LBS (Lal Bahadur Shastri Marg). As a result, some office stock has become available at these locations. We forecast an increase in average vacancy from 13% to around 15% by 2020.

Though most premium establishments are unwilling to compromise on asking rents, we expect average rental values to remain largely stable. Similarly, as investor activity in the commercial segment remains stable, we do not foresee any significant increase in capital values.

Colliers' View

- We expect leasing activity to remain concentrated in locations like Andheri, Navi Mumbai, Central suburbs and BKC. Amidst the backdrop of stable supply and tenant favourable market, rents should remain stable. On the infrastructure front, construction for Mumbai Metro III has finally commenced after a long period of disputes and legal hassles. As this metro route passes through most major micromarkets in Mumbai and the central government is pushing for an FSI (Floor Space Index) of 4.00 along all metro corridors, completion of this route is likely to change the face of commercial real estate in Mumbai.

Although the Maharashtra Real Estate Regulatory Authority has picked up the pace in Mumbai, we do not foresee any major impact on the commercial segment.

Rental Values (Extract Only)

Micro Markets	Rental Value#	% Change QOQ	% Change YOY
Lower Parel*	140 – 190	-1.5%	-1.5%

#Indicative Grade A rentals in INR per sq. ft. per month

*Lower Parel is the micro market where IPIT properties are located

⁷Source: Colliers International – Colliers Quarterly – Mumbai Office – Q2 2017 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 Colliers International 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.

11. Distributions

(a) Current Financial Period

Any distribution declared for the current financial period?

No.

(b) Corresponding Period of the Immediately Preceding Financial Period.

No.

12. If no dividend has been declared/recommended, a statement to that effect.

Refer to paragraph 11.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no interested person transaction mandate obtained.

14. Director confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Director has confirmed that to the best of its knowledge, nothing has come to its attention which may render these interim financial result to be false or misleading in any material aspect.

15. Disclosure pursuant to Rule 720(1) of the Listing Manual

The Trustee-manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD

INDIABULLS PROPERTY MANAGEMENT TRUSTEE PTE. LTD.

(COMPANY REGISTRATION NO. 200720456G)

(AS TRUSTEE-MANAGER OF INDIABULLS PROPERTIES INVESTMENT TRUST)

Ms Cheng Lisa
Company Secretary
14 November 2017