

To,

August 18, 2020

The Board of Directors,
Indiabulls Real Estate Limited (IBREL)
M - 62 & 63 First Floor, Connaught Place,
New Delhi -110001, India

Dear Sir,

Sub: Fairness Opinion Report (“Fairness Opinion” or Report”)

We understand that you are considering a merger proposal wherein you intend to merge NAM Estates Private Limited (entity of Embassy Group) (“NEPL” or the “**Amalgamating Company - 1**”) and Embassy One Commercial Property Developments Private Limited (entity of Embassy Group) (“EOCPD” or the “**Amalgamating Company - 2**”) into and with Indiabulls Real Estate Limited (“IBREL”, “**Company**” or the “**Amalgamated Company**”) (collectively called as “**Companies**”) under section 230 to 232 and other applicable provisions of the Companies Act, 2013, by way of share swap.

We also understand that prior to the merger, the Management of NEPL intends to carry out a restructuring exercise wherein certain assets/ projects/ business undertakings of Embassy Group including the investment in group entities/ other entities are to be transferred to NEPL by way of transfer / swap / demerger/ slump sale.

We also understand that prior to the merger, the Management of EOCPD intends to carry out a restructuring exercise wherein certain assets/ projects/ business undertakings of a few other entities are to be transferred to EOCPD by way of transfer/ swap/ demerger/ slump sale.

Be advised that while certain provisions of the Merger are provided below, the terms of the Merger shall be more fully described in the scheme document to be published in relation to the Merger (the “**Scheme Document**”). As a result, the description of the Merger and certain other information contained herein is qualified in its entirety by reference to the Scheme Document.

Pursuant to the Merger, the Amalgamated Company will issue and allot to all the shareholders of the Amalgamating Company - 1, **6,619 (“Six Thousand Six Hundred and Nineteen”)** fully paid up equity shares of par value INR 2 (Indian Rupees Two) each of the Amalgamated Company for every **10,000 (“Ten Thousand”)** fully paid up equity shares of par value INR 10 (Indian Rupees Ten) each of the Amalgamating Company - 1 held by such shareholder (“**Share Exchange Ratio – 1**”).

AND to all the shareholders of the Amalgamating Company - 2, **5,406 (“Five Thousand Four Hundred and Six”)** fully paid up equity shares of par value INR 2 (Indian Rupees Two) each of the Amalgamated Company for every **10,000 (“Ten Thousand”)** fully paid up equity shares of par value INR 10 (Indian Rupees Ten) each of the Amalgamating Company - 2 held by such shareholder (“**Share Exchange Ratio - 2**”) and collectively Share Exchange Ratio -1 and Share Exchange Ratio – 2 are called as **Share Exchange Ratios**.

The Share Exchange Ratio -1 and Share Exchange Ratio - 2 are based on the valuation report dated 18th August, 2020 (“**Valuation Date**”) prepared independently by N S KUMAR & CO. appointed by the Board of IBREL



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CIN: U67190KA2006PTC041085

(hereinafter both referred to as “Valuer”), Chartered Accountants appointed for recommending the Share Exchange Ratios for the Merger (the “Valuation Report”).

The Board has appointed o3 Capital Global Advisory Private Limited (“o3 Capital” or “we” or “us”), a Category I Merchant Banker registered with SEBI having its registration no. INM000011815, vide an engagement letter dated 08th July, 2020 to issue a fairness opinion to the Company in relation to the Share Exchange Ratio – 1 and Share Exchange Ratio - 2 recommended by the Valuer and as set out in the Valuation Report.

This Fairness Opinion Report is issued in terms of CFD/DIL3/CIR/2017/21 under regulation 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This opinion is subject to the scope, limitations and disclaimers detailed herein.

Scope of our review:

In arriving at the opinion set out below, we have, among other things:

1. reviewed the Valuation Report, and discussed the same with the Valuer;
2. reviewed the draft Scheme Document (“Draft Scheme”);
3. reviewed certain publicly available business information on the Company, the Amalgamating Company - 1 and the Amalgamating Company - 2;
4. reviewed the annual report for the Company for the financial years ending 31st March 2018, 31st March 2019, audited financial results for the financial year ending 31st March 2020;
5. reviewed the reported price of the Company’s shares for the past one year;
6. Background information provided through emails or during discussions.

We have also obtained further explanations and information considered reasonably necessary for our exercise, from the management and discussed with management the past and current business operations or the financial condition of the Companies.

Procedures Adopted:

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information from the management and obtained data available in public domain;
- Discussions with the Management to understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance of the Companies;
- Discussions with the Valuer to understand the valuation methodology adopted and reviewed internationally accepted valuation methodology/(ies) as considered appropriate in relation to the Companies and the Transaction;
- Researched publicly available market data including economic factors and industry trends that may impact the valuation.



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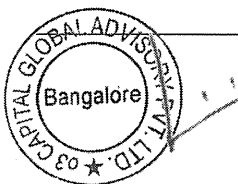
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Assumption and limitations:

In giving our opinion:

1. We have relied without independent verification, upon the accuracy and completeness of all of the information (including, without limitation the Valuation Report) that was made available to us or publicly available or was discussed with or reviewed by us (including the information set out above) and have assumed such accuracy and completeness for the purpose of providing this opinion;
2. We have relied on the assessment of IBREL's management on the commercial merits of the Merger, including that the Merger is in the best interests of the Company and its shareholders as a whole;
3. We have not been provided with any financial forecasts or other internal financial analysis relating to the Company, the Amalgamating Company - 1 or the Amalgamating Company - 2 or a copy of the Company's, the Amalgamating Company - 1's or the Amalgamating Company - 2's business plans;
4. While we have used various assumptions, judgements and estimates in our inquiry, which we consider reasonable and appropriate under the circumstances, no assurances can be given as to the accuracy of any such assumptions, judgments and estimates;
5. We have assumed that all governmental, regulatory, shareholder and other consents and approvals necessary for the Merger will be obtained in a timely manner without any adverse effect on the Company;
6. We have not made any independent evaluation or appraisal of the assets and liabilities of the Company and its subsidiaries, the Amalgamating Company - 1 or the Amalgamating Company - 2 and we have not been furnished with any such evaluation or appraisal, nor have we evaluated the solvency or fair value of the Company, the Amalgamating Company - 1 or the Amalgamating Company - 2 under any laws relating to the bankruptcy, insolvency or similar matters;
7. We have not conducted any independent legal, tax, accounting or other analysis of the Company or of the Merger and when appropriate we have relied solely upon the judgements of the Company's legal, tax, accountants and other professional advisers who may have given such advice to the Company without knowledge or acceptance that it would be relied upon by us for the purpose of this opinion. We have not included the legal and tax effects of any reorganization or transaction costs that may arise as a result of the Merger in our analysis. In addition, we have not performed any independent analysis of the situation of the individual shareholders of the Company, including with respect to taxation in relation to the Merger and express no opinion thereon;
8. We have not undertaken independent analysis of any potential or actual litigation, regulatory action, possible un-asserted claims, or other contingent liabilities to which the Company, the Amalgamating Company - 1 or the Amalgamating Company - 2 is or may be a party or is or may be subject, or of any government investigation of any possible un-asserted claims or other contingent liabilities to which the Company, the Amalgamating Company - 1 or the Amalgamating Company - 2 is or may be a party or is or may be subject, and relied on the information provided by the management of the companies;
9. We have not conducted any physical inspection of the properties or facilities of the Company, the Amalgamating Company - 1 or the Amalgamating Company - 2;
10. We have assumed that the Merger will be consummated on the terms set forth in the Scheme Document and that the final version of the Scheme Document will not change in any material respect from the draft version we have reviewed for the purpose of this opinion;



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11. We have assumed that the Share Exchange Ratio – 1 and Share Exchange Ratio - 2 will not be subject to any adjustments and express no opinion regarding any adjustments to the Share Exchange Ratio – 1 or Share Exchange Ratio - 2 after the date of this opinion;
12. We have assumed that the management of the Company are not aware of any facts or circumstances that would make any information necessary for us to provide this opinion inaccurate or misleading and that the management have not omitted to provide us with any information which may be relevant to the delivery of this opinion.

Our opinion is necessarily based on the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the opinion and that we do not have any obligation to update, revise or reaffirm this opinion.

We are expressing no opinion herein as to the price at which any securities of the Amalgamated Company will trade at any time.

Relationship with o3 Capital:

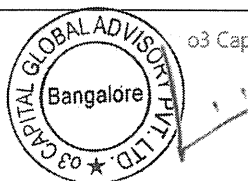
o3 Capital was not requested to, and did not, provide advice concerning the structure, the Share Exchange Ratio -1 or Share Exchange Ratio - 2 or any other aspects of the Merger or to provide services other than the delivery of this Fairness Opinion. o3 Capital did not participate in negotiations with respect to the terms of the Merger and any related transactions. Consequently, o3 Capital has assumed that such terms are the most beneficial terms from the Company's perspective that could under the circumstances be negotiated with the Amalgamating Company - 1 and Amalgamating Company - 2.

We will receive a fee from the Company for rendering this opinion which is not contingent upon the results reported and fairness opinion provided by us. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents.

In the past 5 years, o3 Capital and its affiliates have provided advisory and merchant banking services to the Amalgamating Company - 1 and its affiliates (the "Amalgamating Group") and have received fees for the rendering of these services, and may continue to provide such services to the Amalgamated Company, The Amalgamating Company - 1, Amalgamating Company - 2 and its affiliates and the Amalgamating Group and receive fees in relation thereto. Such services may include, without limitation, providing advisory and merchant banking services to the Amalgamated Company, The Amalgamating Company - 1, Amalgamating Company - 2 and its affiliates and the Amalgamating Group in relation to the Merger. It is prudent to note that o3 Securities Private Limited, an affiliate of o3 Capital, may, in the ordinary course of their business, trade in the equity or other listed securities of the Amalgamated Company for their own accounts, or for the accounts of its customers. However, we have adopted appropriate mechanisms and procedures to comply with the Model Code, as prescribed in Schedule I of Regulation 12 of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Other limitations:

This opinion is addressed to and provided solely for the Board of Directors of the Company exclusively in connection with and for the purposes of its evaluation of the fairness of the Share Exchange Ratio – 1 and



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Share Exchange Ratio - 2. This letter shall not confer rights or remedies upon, and may not be used or relied on by, any holder of securities of the Company, any creditor of the Company or by any other person other than the Board of Directors of the Company.

o3 Capital is acting for the Board of Directors of the Company and no one else in connection with the Merger and will not be responsible to any person other than the Board of Directors of the Company for providing this opinion. Neither the existence of this letter nor its contents may be copied in whole or in part, or discussed with any other parties, or published or made public or referred to in any way, without our prior written consent in each instance, except that this opinion may be described in and included in its entirety in the Scheme Document. We take no responsibility or liability for any claims arising out of any such disclosure and we specifically disclaim any responsibility to any third party to whom this opinion may be shown or who may acquire a copy of this opinion.

This opinion shall be governed by the laws of India.

This Report does not constitute a solvency opinion or an investment recommendation and should not be construed as such either for making or divesting investment. Our work does not constitute an audit or certification or due diligence of the past financials of the Company, the Amalgamating Company - 1 or the Amalgamating Company - 2 and we have relied upon the information provided to us by the Company and the Valuer as regards such working results.

Specifically, this opinion does not address the commercial merits of the Merger nor the underlying decision by the Company to proceed with the Merger nor does it constitute a recommendation to any shareholder or creditor of the Company as to how such shareholder or creditor should vote with respect to the Merger or any other matter.

The ultimate responsibility for the decision to recommend the Merger rests solely with the Board of Directors of the Company.

Our Analysis:

For the purpose of forming our opinion and the Report, we have primarily relied on the Valuation Report and our discussions with the Valuer.

As per the current market valuation standards, any valuation exercise can be carried out using various methodologies including, but not limited to, Market Multiple method, Net Asset Value method and Discounted Cash Flow method and the appropriateness of the valuation methodology depends on various factors. Basis our discussions with the Valuer, we were informed that taking into consideration the market conditions and the overall development status of all the projects that are currently being undertaken / to be undertaken by the Companies; the valuation methodology that was adopted is the Discounted Cash Flow methodology on an individual project level basis. Also, with respect to the Amalgamated Company, the Discounted Cash Flow valuation has also been adjusted to give effect to the current market price of the shares of the Amalgamated Company.

It is prudent to note that for any real estate development company, the project cash flows and, therefore, value of the project is largely dependent on various factors including, but not limited to, time taken for obtaining the



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regulatory approvals, the development time lines, the sales velocity, the overall demand – supply metrics, the average sales price achieved over time and any cost over runs, etc. We were informed that to ensure the appropriateness and uniformity in the valuation, the Valuer has adopted the Discounted Cash Flow methodology for all the Companies by adopting appropriate assumptions in light of the current market conditions and the project conditions / overall project status.

Conclusion:

Based upon, and subject to, the foregoing we are of the opinion that, as of the date hereof, the Share Exchange Ratio -1 and Share Exchange Ratio -2 are fair, from a financial point of view, to the shareholders of the Company.

Yours faithfully,

For o3 Capital Global Advisory Private Limited,

Srinivas T.R.

Director

o3 Capital Global Advisory Pvt Ltd

SEBI Regn. No.: INM000011815

Background:**Indiabulls Real Estate Limited (“IBREL” or “Amalgamated Company”)**

IBREL having CIN L45101DL2006PLC148314, a public limited company incorporated under the 1956 Act and engaged in the business of construction and development of residential and commercial properties across multiple geographical locations in India with expertise in real estate & is listed on the National Stock Exchange (“NSE”) & Bombay Stock Exchange (“BSE”). The shareholding pattern as on 31st March, 2020 of IBREL is as follows:

Particulars	No. of shares	% Shareholding
Promoter & Group	10,61,89,745	23.38%
Public & others	34,84,74,131	76.62%
Grand Total	45,46,63,876	100.0%

NAM Estates Private Limited (“NEPL” or “Amalgamating Company – 1”)

NEPL having CIN U85110KA1995PTC017950, a company incorporated as a private limited company under the 1956 Act and part of Embassy Group and is engaged in the business of construction and development of residential and commercial properties across multiple geographical locations in India. The shareholding pattern of NEPL is as follows:

Particulars	No. of shares	Face Value	Amount (INR)
Existing No. of shares	70,002	10	700,020
Shares issued post NAM Internal Restructuring [Pursuant to Clause 1.4.25 of the Draft Scheme]	446,133,835	10	4,461,338,350
Shares issued to Investor Share Swap [Pursuant to Clause 5 of the Draft Scheme]	392,375,551	10	3,923,755,510
Total	838,579,388	10	8,385,793,880

Embassy One Commercial Property Developments Private Limited (“EOCPD” or “Amalgamating Company – 2”)

EOCPD having CIN U70109KA2018PTC135028, a company incorporated as a private limited company under the 2013 Act and engaged in the business of construction and development of residential and commercial properties. The shareholding pattern of EOCPD is as follows:

Particulars	No. of shares	Face Value	Amount (INR)
Existing No. of shares	10,000	10	100,000
Shares issued to Investor Share Swap [Pursuant to Clause 18 of the Draft Scheme]	161,600,000	10	1,616,000,000
Total	161,610,000		1,616,100,000

