

Sub.: Purchase of bonds of all maturities maturing up to March 31, 2024

Indiabulls Housing Finance Ltd [“Company”] hereby issues an offer to all Debenture holder(s) for pre-mature redemption of its NCDs maturing till 31st March, 2024. The Asset Liability Management Committee [ALCO] of the Company has decided to make this offer to the NCD holders to acquire NCDs maturing till 31st March, 2024, on the exchange under negotiated trades with NCD holders and hold them as treasury stock until maturity.

Since September 2018, the Company has repaid ~₹ 1,64,000 crore on gross basis, and ~₹ 85,500 crore on net basis. At the end of September our borrowings stood at about ~₹ 35,000 Crs and our net debt to equity was 1.7x. It is a testament to the portfolio underwritten by Indiabulls Housing that despite the pandemic and what was a lean phase for the Indian real estate market, the Company was able to run down its book in an orderly manner and proactively manage its ALM.

It has been Indiabulls Housing’s long-standing policy to maintain adequate liquidity in cash, cash equivalents, and investments to cover near- to mid-term debt repayments. The Company has always been proactive in its approach to ALM management and has planned in advance for bunched up repayments of the nature that we had in Q2FY24 – the quarter gone by. In such instances, where permitted by regulations, we have used the liquidity on the balance sheet to pre-pay or buy back outstanding debt – as we are doing in this instance; and where not permitted by regulations, such as in the case of External Commercial Borrowings [ECBs] of USD 270 Mn [₹ 2,232 Cr] we repaid last quarter, we voluntarily created earmarked, trustee-managed FDs in a phased manner, a year in advance of repayment dates, to build towards meeting repayment dues. Other such instances of proactive ALM management of large repayments is tabulated below:

Particulars	Amount [₹ Cr]	Proactive Management
NCD’s [Sep 21]	6,575	Repurchased ₹ 4,340 Cr of NCDs ahead of schedule repayment
Masala Bonds [Feb 21]	315	Repurchased ahead of schedule repayment
Dollar Bond [May 22]	2,730	FDs in steps of 25% created from Q1FY22 – a year in advance
External Commercial Borrowings [Aug-23]	2,232	FDs in steps of 25% created from a year in advance
Total	11,852	

The Company’s asset-light model has fully matured, and it now has co-lending relationships with 8 partner banks for each of whom the Company is a strategic relationship contributing significant amount to their total disbursements. Importantly, being asset-light co-lending, the Company need not build large borrowings to support this, and can grow and earn on the entire AUM without building ALM risk. In the last 2 years, the Company is also nurturing Public Issuances of NCD’s focused on the retail investors as a continuous, stable, and granular source of borrowings. The Company will time and again evaluate further pre-mature redemption of its NCDs in order to boost liquidity for the retail investors.

Despite growth in disbursements, with the ample liquidity available to the Company, we will continue taking such steps for proactive management of ALM.

On purchase of bonds, bondholders can get in touch with Sandipan Amboli [email: sandipan.amboli@indiabulls.com] at any-time prior to October 15, 2023, to effect the trade.

Thanking you,

Yours truly,

For **Indiabulls Housing Finance Limited**