



Corporate Announcement

October 14, 2019

Sub.: Outcome of Board Meeting

Dear Sirs,

Further to our intimation dated October 09, 2019 and in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors of Indiabulls Housing Finance Limited (the "Company") at its meeting held on October 14, 2019 (which commenced at 7:30 p.m. and concluded at 8:35 p.m.) considered the option of buyback of shares under SEBI (Buy-Back of Securities) Regulations, 2018, as amended (hereinafter referred to as the "Buyback"). While deliberating on the buyback of shares the Board of Directors noted the following:

- The present market value of the Company is at a steep discount to its historical valuation multiples
- The Company's financial position is very strong and its capital levels are high:
 - The Company's Capital Adequacy of 27.8% as at the end of June 2019, is the highest amongst all non-bank finance companies [NBFCs] of size. The average capital adequacy for non-bank financiers with balance sheet size of greater than rupees 1 lac crores is 18.7%
 - The Company has been maintaining high levels of liquidity and has about 20% of its balance sheet in cash and liquid investments, this compares with an average of 5% for NBFCs of size, thus the Company is holding 4 times the average liquidity of the sector
- The buyback represents excellent use of the Company's capital, given the Company's high capital adequacy ratios and the liquidity available with the Company
- The promoter informed the board that neither he nor any of his promoter companies intend to participate in the buyback
- The Company and its management best understand the underlying business mechanics and the value in the business
- The market value has been severely dented following circulation of rumours and false allegations against the Company. The charges are false and malicious and the Company is completely innocent of these charges

The Board noted the adverse impact on the share price following the circulation of rumours, fake news and unfounded allegations in social media, and the reproduction of these allegations in a PIL filed against the Company concerning loans to leading developers extended in the normal course of the Company's business as a Housing Finance Company. The Board directed the Company to double-down on legal efforts to effectively counter these malicious attacks and also to explore complaining to

regulatory authorities to investigate build-up of short positions coinciding with the circulation of rumours and false news about the Company.

Based on legal advice received on the subject of buyback, the board thought it prudent to first confirm with SEBI on the applicability of the debt-equity ratio of 6:1 as currently prescribed for subsidiary NBFC/HFC in the Govt Gazette dated 19th September 2019 to be also applicable if the NBFC/HFC is not a subsidiary but the parent listed company itself as is the case with Indiabulls Housing Finance.

The Board is inclined for a buyback of shares, the route being the buying of Company shares through the exchanges and shall take final decision on this proposed Buyback upon receipt of confirmation from SEBI.

The Board also advised the Company to continue with its policy of paying 50% of profits as dividends, as has been the practise for the last 10 years. The Board noted that the Company is one of the top 10 dividend-paying companies in India, having paid ₹ 10,530 Crs (₹ 271 per share) in dividends over the last 10 years.

Data for peer non-bank finance companies has been compiled from publically available financials

Kindly take the above information on record.

Thanking you,

Yours truly,

For Indiabulls Housing Finance Limited