



Date: April 5, 2019

Scrip Code - 535789

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

MUMBAI – 400 001

IBULHSGFIN/EQ

National Stock Exchange of India Limited

“Exchange Plaza”, Bandra-Kurla Complex,

Bandra (East),

MUMBAI – 400 051

Dear Sir,

Sub: Outcome of the Board Meeting held on 5th April, 2019

Ref: Disclosure under Regulation 30 of the Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”) read with the Securities and Exchange Board of India (“SEBI”) circular bearing no. CIR/CFD/CMD/4/2015 dated September 9, 2015 (“SEBI Circular”)

The Board of Directors of Indiabulls Housing Finance Limited (“**Board**”), at its meeting held today (i.e. 5th April, 2019) at Mumbai, after considering the report of the Audit committee of Directors of Indiabulls Housing Finance Limited, has considered and approved a scheme of amalgamation between Indiabulls Housing Finance Limited (“**the Company**” or “**IBH**” or “**Transferee Company**”) and The Lakshmi Vilas Bank Limited (“**LVB**” or “**Transferor Company**”) (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as amended, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as amended, and other rules and regulations framed thereunder, which *inter alia* envisages amalgamation of the Transferor Company into and with the Transferee Company, on ongoing basis and dissolution of Transferor Company without being wound up. The Transferor Company and the Transferee Company are hereinafter collectively referred to as the “**Amalgamating Companies**”.

The Appointed Date for the Scheme shall be January 1, 2018, or such other date as may be mutually agreed between the Amalgamating Companies and is the date with effect from which the Scheme shall be operative.

The Scheme is subject to the receipt of approval from the Reserve Bank of India (“**RBI**”) and all other applicable compliances under the Banking Regulation Act, 1949/ RBI/NHB Guidelines for Licensing of New Banks in the Private Sector, 2013, RBI (Prior Approval for Acquisition of Shares or Voting Rights in Private Sector, Banks) Directions, 2015, and the RBI (Ownership in Private Sector Banks) Directions, 2016, and such other directions, regulations issued by the RBI, National Housing Bank and SEBI, as may be applicable, and other statutory and regulatory approvals, including approvals from the Competition Commission of India, the Hon’ble National Company Law Tribunal, New Delhi Bench and Chennai Bench, SEBI, BSE Limited, National Stock Exchange of India Limited and such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary. **The**

Board has constituted a Reorganization Committee headed by Shri S.S. Mundra, Independent Director on the board of IBH and Ex-Deputy Governor, RBI, to undertake necessary decisions in relation to the proposed amalgamation between the Company and LVB, including any modification to the Scheme of Amalgamation and allied matters in relation thereto, including pursuant to any advice by the regulators, while granting the desired approvals in this regard.

At the aforesaid meeting, the Board also approved the execution of a merger co-operation agreement between the Transferor Company and the Transferee Company (“**Merger Co-operation Agreement**”). The Merger Co-operation Agreement sets out the manner of effecting the proposed amalgamation contemplated under the Scheme, the representations and warranties being given by each party and the rights and obligations of the respective parties.

The information required to be furnished pursuant to Regulation 30 of the Listing Regulations read with the SEBI Circular is set out herein below.

<p>a) Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.</p>	<p>The Transferee Company (Indiabulls Housing Finance Limited) has total assets of INR 1,31,903 crore and consolidated net worth of INR 17,792 crore as on 31st December 2018. Its Equity shares are listed on NSE and BSE, its NCDs are listed on WDM segment of NSE and BSE and its GDRs are listed on Luxembourg Stock Exchange.</p> <p>The Transferor Company (Lakshmi Vilas Bank Limited) has total assets of ₹ 40,429 Crs and net worth of ₹ 2,328 Crs as on March 31, 2018. Its Equity shares are listed on NSE and BSE and its NCDs are listed on WDM segment of NSE.</p>
<p>b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms’ length”</p>	<p>No.</p> <p>Since the Transferor Company and the Transferee Company are not related parties, the amalgamation of the Transferor Company with the Transferee Company will not fall within related party transactions.</p> <p>In any event, the transactions contemplated in the Scheme are being undertaken at arms’ length.</p>
<p>c) Area of business of the entity(ies)</p>	<p>The Transferee Company is a public listed non-public deposit taking AAA rated housing finance company that has obtained certificate of registration from NHB in this behalf. The Transferee Company is engaged in the business of providing home loans, loan against property to retail customer including MSMEs and businesses, lease rental discounting and construction finance through a network of branches spread across 18 states and 3 union territories. The objects clause of memorandum of association of the Transferee Company authorises it to carry on the business of housing finance.</p>

	<p>The Transferor Company is a public listed company engaged in the business of providing banking services and is licensed as a banking company under the provisions of the Banking Regulations Act, 1949. There are 569 branches (including 2 Personal Banking Branches) and 1046 ATMs across 19 states and one UT, (Including 7 commercial banking branches) as on December 31, 2018. Apart from above, it has 2 Retail Asset Centres. The objects clause of memorandum of association of the Transferor Company authorises it to carry on the business of banking.</p>
<p>d) Rationale for amalgamation/merger</p>	<p>1. The strengths of IBH, the Transferee Company, are captured below:</p> <p>Strong net worth, healthy profitability and low leverage [all numbers as of December 31, 2018, unless otherwise specified]</p> <ul style="list-style-type: none"> • Net worth: ₹17,792 Crs. Increased 69% in last 3 years • High Capital adequacy: Over 24% with tier I of over 15% as of 31st Mar 2019 • Net Leverage: 4x as at 31st Mar 2019 • Healthy Liquidity: ₹ 27,512 Crs as on 31st Mar, 2019 • Loan book: ₹ 99,270 Crs. 7-year growth CAGR of 22% • Profitability [PAT]: 9MFY19 profit of ₹ 3,084 Crs. FY18 profit of ₹ 3,847 Crs. 7-year growth CAGR of 26% • Return on Assets [RoA]: 3.2% • Return on Equity [RoE]: 27.3% • Asset quality: Gross NPA of 0.79% and Net NPA of 0.59%. GNPA's have remained between 0.70% and 0.90% for 30 quarters <p>Market value and perception</p> <ul style="list-style-type: none"> • Highest Long-term Rating: Long-term rating of AAA from all leading Indian rating agencies including CRISIL. Only standalone entity to be upgraded to the highest long-term rating of AAA by CRISIL in last 20 years • Market capitalisation: ₹ 37,175 Crs. 3rd highest in NBFC & HFC sector combined. Constituent of Nifty50 • Diversified Shareholding: Founder's stake presently at 21.5%, and will be compliant as per banking regulations for private sector banks and will be less than 15% of the amalgamated entity before the scheme is effective. Stable set of well-diversified global base of long-term investors <p>Retail franchise with efficient operations</p> <ul style="list-style-type: none"> • Home loans market share: 3rd highest home loan market

share among HFCs (Source: ICRA – Indian Mortgage Finance Market Update H1 FY2019). Presence across 22 states. Cumulatively loans of ₹ 2.4 Lakh Crs disbursed till date.

- **Technology-enabled efficient operations:** Developed India's first end-to-end online home loan technology platform. Low cost-to-income of 12.5% driven by technology-enabled processes
- **Experienced management team:** Stable senior and mid management team, that has been with the company since inception

2. Rationale for Merger for IBH, the Transferee Company:

- **Access to low cost deposits for the Transferee Company:** The Transferee Company gets access to stable low-cost funding in the form of public deposits and expanded distribution franchise.
- **Geographical Diversification:** Complementary branch network will enable scaling up of business for both entities on the back of the Transferee Company's strong presence in North and Western India and the Transferor Company's strong presence in South India.
- **Expanded client-base and cross-selling opportunities:** Cross-sell opportunities created through the merger will help the transferee company grow loan book through a suite of consumer loan products, and give it access to new fee generation opportunities.
- **ALM Optimisation:** Addition of shorter tenured book of the Transferor Company with longer maturity book of the Transferee Company will help balance the asset side of the book across tenures.
- **Access to Technology and Analytics Platform:** the Transferee Company has been an early adopter of technology in the HFC space and has developed the world's first end-to-end online home loan technology platform. Opportunity for deriving operating efficiencies from adoption of technology-enabled processes by the entire merged entity.
- **Pooling and optimal utilisation of resources, creating better synergies and greater economies of scale.**

<p>e) Amalgamated entity Proforma financials</p>	<p>Amalgamated entity financials for 9MFY19: Strong on all parameters*</p> <ul style="list-style-type: none"> • Net worth: ₹ 19,472 Crs • Employees: 14,302 • Loan book: ₹ 1,23,393 Crs • Tier I capital: 14.4% • Capital adequacy ratio: 20.6% • Return on equity: 19.2% • Return on Assets: 2.0% • Return on Risk Weighted Assets: 2.9% • 9M FY19 Operating profit: ₹ 4,630 Crs • 9M FY19 Net profit: ₹ 2,455 Crs • GNPL: 3.5% • NNPL: 2.0% <p>*All the above mentioned figures are extracted from the financial statements of each of the entities as at and for the nine months period ended December 31, 2018. The consolidated figures are arithmetical submission of the line items in each of the financial statements as above.</p>
<p>f) In case of cash consideration – amount or otherwise share exchange ratio</p>	<p>The share exchange ratio for the amalgamation of the Transferor Company with the Transferee Company shall be for every <u>1</u> equity share of the Transferor Company of face value of Rs. 10 each held in the Transferor Company, every equity shareholder of the Transferor Company shall be entitled to receive <u>0.14</u> equity share of face value of ₹ 2 each of the Transferee Company</p> <p>The share exchange ratio has been arrived at on the basis of joint valuation reports dated April 04th, April 2019 submitted by Walker Chandiook & Co., LLP (Member firm of global accounting firm Grant Thornton) and TPG & Co., Independent Chartered Accountants (On behalf of the Transferee Company) and Deloitte Haskins & Sells LLP and R V Shah & Associates, Independent Chartered Accountants (On behalf of the Transferor Company), supported by a fairness opinion dated 05th, April 2019, submitted by CLSA India Private Limited, as Independent SEBI registered Merchant Banker, issued for the Transferee Company.</p>
<p>g) Brief details of change in shareholding pattern (if any) of listed entity</p>	<p>Upon the Scheme becoming effective, the Transferee Company will issue equity shares as mentioned in (e) above to the equity shareholders of the Transferor Company as on the record date and all the equity shares of the Transferor Company shall stand extinguished.</p>



The Board Meeting started at 3:00 P.M. and concluded at 5:30 P.M.

The above is for your information and records.

Thank You,

Yours faithfully,

For **Indiabulls Housing Finance Limited**

A handwritten signature in black ink that reads "Amit Jain". The signature is written in a cursive style and is positioned above a horizontal line.

Amit Jain

Company Secretary

CC:

Luxembourg Stock Exchange, Luxembourg

Singapore Exchange Securities Trading Limited, Singapore