



Corporate Announcement

Date: May 3, 2019

Dear Sir,

**Sub: Outcome of the Board Meeting held on May 3, 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, as amended ("SEBI Circular")**

In furtherance to our intimation dated April 5, 2019 (the "Intimation"), the Board of Directors (the "Board") of Indiabulls Housing Finance Limited (the "Company" or "IBH" or "Transferor Company 1") at its meeting held today (i.e. May 3, 2019), have considered and approved amendments to scheme of amalgamation to effect the merger of IHFL alongwith its wholly owned subsidiary, Indiabulls Commercial Credit Limited ("ICCL" or "Transferor Company 2") into and with The Lakshmi Vilas Bank Limited ("LVB" or "Transferee 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 1 and Transferor Company 2 into and with the Transferee Company, on ongoing basis and dissolution of Transferor Company 1 and Transferor Company 2 without being wound up.

Upon the Scheme becoming effective, the Transferee Company will issue equity shares as mentioned below to the equity shareholders of the Transferor Company 1 as on the record date and all the equity shares of the Transferor Company 1 shall stand extinguished. Further, no separate consideration will be paid pursuant to the amalgamation of the Transferor Company 2 into the Transferee Company, as the Transferor Company 1 and its nominees hold 100% of the shares of the Transferor Company 2. Also, upon the Scheme becoming effective all the shares of the Transferor Company 2 shall stand cancelled without any further act, application or deed. Basis the existing issued capital of both Transferor Company 1 and Transferee Company and the share exchange ratio, the shareholders of the Transferor Company 1 will hold approximately 90.5% of the post-merger enhanced equity capital of the merged entity and the shareholders of LVB will hold approximately 9.5% of the post-merger enhanced equity capital of the merged entity.

In compliance with the requirement pursuant to Regulation 30 of the Listing Regulations read with the SEBI Circular, the Intimation shall be considered as modified to the extent that the reference of the "Transferor Company" and the "Transferee Company" as mentioned in the Intimation shall be interchanged and the "Transferor Company" be read as the "Transferee Company" and the "Transferee Company" as the "Transferor Company 1" in the Intimation. Further, since ICCL, a wholly owned subsidiary company of Transferor Company 1, will also merge into and with LVB, accordingly ICCL will be referred to as "Transferor Company 2". The Board, in accordance with valuation report(s) approved at its meeting dated April 5<sup>th</sup>, 2019, has reaffirmed the share exchange ratio for the amalgamation of the Transferor Company 1 and Transferor Company 2 into and with the Transferee Company, which shall be for every 1 equity share of the Transferor Company 1 of face value of Rs. 2 each held in the Transferor

Company, every equity shareholder of the Transferor Company 1 shall be entitled to receive 7.143 equity share of face value of Rs. 10 each of the Transferee Company.

The disclosure in relation to Transferor Company 2 required to be furnished pursuant to Regulation 30 of the Listing Regulations read with the SEBI Circular is set out herein below:

a) Name of the Transferor Company 2 forming part of the amalgamation/merger, details in brief such as, size, turnover etc.	The Transferor Company 2 (Indiabulls Commercial Credit Limited) has total assets of INR 17,105.83 crore, turnover of INR 1,760.60 crore and net worth of INR 4,375.05 crore as on March 31, 2019. Its NCDs are listed on WDM segment of NSE and BSE.
b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms’ length”	No.  Since the Transferor Company 1 and Transferor Company 2 are not related parties of the Transferee Company, the amalgamation of the Transferor Company 1 and Transferor Company 2 into and with the Transferee Company will not fall within related party transactions.  In any event, the transactions contemplated in the Scheme are being undertaken at arms’ length.
c) Area of business of the Transferor Company 2	The Transferor Company 2 is a non-deposit taking NBFC registered with the RBI and a 100% wholly owned subsidiary of Transferor Company 1. The Transferor Company 2 primarily focuses on long-term secured mortgage-backed loans. The objects clause of memorandum of association of the Transferor Company 2 authorises it to carry on the business of non-deposit taking NBFC.
d) Rationale for amalgamation/ merger	The rationale for the merger of the Transferor Company 2 is as follows: The Transferor Company No. 2 is an NBFC and is a 100% subsidiary of Transferor Company No. 1, its proposed merger along with Transferor Company No. 1 with the Transferee Company will be in the overall interest of the Company as well as the resultant entity to utilise the available capital more efficiently in the Transferee Company rather than under the standalone NBFC. Also, given the regulatory framework governing new private banks, it’s prudent to conduct the lending business under the Transferee Company.

All other disclosures made in the Intimation shall remain unchanged.

At the aforesaid meeting, the Board has also approved the amendments to the merger co-operation agreement to be entered between the Transferor Company 1, Transferor Company 2 and the Transferee Company.

The Board Meeting started at 5:30 P.M. and concluded at 7:00 P.M.

The above is for your information and records.

Thank You,

Yours faithfully,

For **Indiabulls Housing Finance Limited**