

Indiabulls

Annexure - 2

NOTE ON SCHEME OF ARRANGEMENT - AMALGAMATION OF IBFSL WITH IHFL

Indiabulls Financial Services Limited ("IBFSL" or the "Amalgamating Company") was a public company incorporated under the Companies Act, 1956 (the "Act"), having its registered office at F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi - 110 001. IBFSL was registered with the Reserve Bank of India as a non-deposit taking non-banking financial services company and was engaged in *inter alia* lending business particularly focussed on mortgaged loans with specific emphasis on home loans to the salaried segment, through Indiabulls Housing Finance Limited, its then wholly owned subsidiary. IBFSL provided construction finance for residential projects, loan against residential properties for the purpose of home improvement and small businesses, receivable discounting loans and was engaged in the business of holding investments in various step-down subsidiaries. IBFSL and its subsidiaries were also engaged in investing and finance activities. IBFSL was also engaged in selling life insurance policies, pension plans and other financial products in its capacity as corporate agent for insurance companies. The equity shares and Warrants of IBFSL are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and its Global Depository Receipts ("GDRs") are listed on the Luxembourg Stock Exchange. The NCDs of IBFSL are listed on the wholesale debt market segment of BSE and NSE.

Indiabulls Housing Finance Limited ("IHFL" or the "Amalgamated Company") is a public company which was incorporated under the Act as a wholly owned subsidiary of the Amalgamating Company, having its registered office at F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi - 110 001. IHFL is registered with the National Housing Bank as a housing finance institution (without accepting public deposits) and also as a financial institution under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. IHFL is engaged in the business of housing finance activities which include *inter alia* providing finance to any person for purchase of residential property. The NCDs of IHFL are listed on the wholesale debt market segment of NSE.

Pursuant to the Order of Hon'ble High Court and in terms of the Scheme of Arrangement (Scheme), IHFL shall, without any further act or deed, issue and allot:

- (i) 31,25,11,167 equity shares of IHFL to the equity shareholders of IBFSL whose names are recorded in the register of members and the records of depositories (NSDL & CDSL) of IBFSL, on **March 20, 2013**, being the **Record Date**, in the ratio (the "**Share Exchange Ratio**") of 1 (one) equity

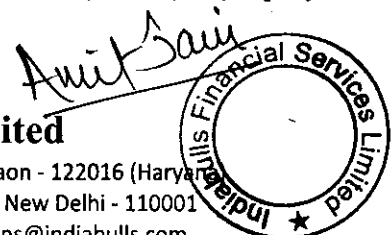
Indiabulls Financial Services Limited

Corporate Office: "Indiabulls House" 448-451, Udyog Vihar, Phase-V, Gurgaon - 122016 (Haryana)

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share in IHFL of face value Rs. 2/- (Rupees Two Only) credited as fully paid up for every 1 (one) equity share of face value Rs. 2/- (Rupees Two Only) each fully paid up held by such member in IBFSL on the Record Date;

- (ii) An equivalent number of warrants in IHFL to the holders of (a) 2,75,00,000 listed warrants and (b) 2,07,00,000 unlisted warrants, in IBFSL, as on the Record Date as aforesaid.

Further, IHFL shall, on the aforesaid Record Date, ascertain the list of holders of each series of non convertible debentures (Debentures) in IBFSL the indebtedness in respect whereof, would stand assumed by IHFL (in terms of clause 7.3 of the Scheme).

Akin to the shareholders, the GDR holders of IBFSL shall be issued GDRs in the Share Exchange Ratio, in IHFL.

It may be noted that owing to the Share Exchange Ratio under the Scheme being 1:1, no fractional entitlements will arise pursuant to the allotments to be made thereunder.

Anil Jain



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