

Indiabulls

Date: 27th April, 2012

To,

The General Manager
Department of Corporate Affairs
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai - 400051

Sub: Outcome of the meeting of the board of directors of Indiabulls Financial Services Limited ("the Company" or "IBFSL") held on 27th April, 2012

We wish to inform you that at the meeting of the board of directors ("Board") of the Company held today i.e. on 27th April, 2012, the Board reviewed the long term business strategy of the Company. In view of the fact that the majority of the existing and incremental business of the Company relates to housing finance business and all other companies with similar asset profile and business are already licensed as Housing Finance Companies (HFCs), it was decided to restructure the business of the Company by merger of the Company with its wholly-owned housing finance company (HFC) subsidiary Indiabulls Housing Finance Limited ("IHFL"). The merger will be effected through a scheme of amalgamation between the Company, IHFL and their respective shareholders and creditors (the "Scheme") as per the provisions of Section 391 to 394 of the Companies Act, 1956. The Scheme provides for amalgamation of the Company with IHFL, and various other matters consequential or otherwise integrally connected with the said amalgamation. Amarchand & Mangaldas & Suresh A Shroff & Co., Advocates and Solicitors are acting as legal advisors to the Company.

The Appointed date of the amalgamation is April 1, 2012. Upon the Scheme becoming effective upon sanction by the High Court of Delhi, the shareholders of IBFSL will get 1 (one) equity share of Rs. 2 each of IHFL for every 1 (one) equity share of Rs. 2 each held by them in the Company, on the record date to be fixed by the Company in this regard. The aforementioned share exchange ratio is based on the valuation by an independent valuer and the fairness opinion provided by an independent merchant banker registered with the Securities and Exchange Board of India on the valuation report.

Indiabulls Financial Services Limited

Corporate Office : "Indiabulls House" 448-451, Udyog Vihar, Phase - V, Gurgaon (Haryana) 122015

Registered Office : F-60, Malhotra Building, 11nd Floor, Connaught Place, New Delhi 110 001

Tel. : 39407777, 1-800-200-7777 (Toll Free), Email : customerservice@indiabulls.com

Fax : 0124-3081111 Website : www.indiabulls.com



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The Scheme is subject to necessary approvals of shareholders, creditors, other regulatory approvals and the sanction of the High Court of Delhi. The Scheme as finalized will be separately filed with the stock exchanges as per the provisions of Clause 24 of the Listing Agreement.

Further, we wish to inform you that in order to augment the capital required for business growth over next few years, the Board has also approved the proposal to issue and allot to promoter entities, namely, Cleta Properties Private Limited, Cleta Buildtech Private Limited, Priapus Real Estate Private Limited, Hespera Real Estate Private Limited and to Mr. Gagan Banga and Mr. Ashwini Kumar the key managerial personnel, on a preferential allotment basis upto 2,07,00,000 (Two Crore Seven Lacs) warrants convertible into 2,07,00,000 (Two Crore Seven Lacs) equity shares of face value of Rs. 2 (Rupees Two only) each of the Company at a conversion price of Rs. 218/- (Rupees Two Hundred and Eighteen only) per equity share, in accordance with the applicable laws and guidelines ("Warrants").

The aggregate capital funds receivable by the Company, pursuant to the conversion of the Warrants, would be Rs. 451,26,00,000 (Rupees Four Hundred Fifty One Crore and Twenty Six Lacs only) with Rs. 112,81,50,000 (Rupees One Hundred Twelve Crore Eighty One Lacs Fifty Thousand only), representing 25% (twenty five per cent) of the total amount, received as an upfront contribution immediately prior to issue of the Warrants.

The above proposal is subject to the satisfaction of various conditions, including obtaining necessary approvals from the shareholders and regulatory authorities, if any, prior to the actual allotment under the preferential issue. The Board of the Company has decided to obtain the approval of the members of the Company for the issue of Warrants, as aforesaid, and for amending the objects of the Company, through a postal ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules 2001, and has appointed Mr. B. D. Tapriya, Practicing Company Secretary, as the scrutinizer for conducting the postal ballot process in a fair and transparent manner. The duly completed Postal Ballot Form should reach the scrutinizer by no later than 2 P.M. on 27th May, 2012. The results of the Postal Ballot will be declared at the Registered Office of the Company on 27th May, 2012 by 5 P.M.

Yours sincerely,

**For Indiabulls Financial Services
Limited**



Amit Jain
Company Secretary



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