



HB PORTFOLIO LIMITED

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February 10, 2016

Listing Centre

The Listing Department
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai – 400001

Company Code: 532333

Sub: - Disclosure under Regulation 30 & 51(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir / Madam,

Pursuant to Regulation 30 & 51(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors in their meeting held on 10th February, 2016, after considering the Report of the Audit Committee have approved a Scheme of Arrangement between HB Portfolio Limited ('the Company / HBPL'), HB Stockholdings Limited (HBSL) and HB Estate Developers Limited (HBEDL) subject to the approval of the Board of Directors of respective companies and such other statutory approvals that may be required.

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company makes following disclosures as prescribed in Circular No. CIR/CFD/CMD/4/2015 dated 09th September, 2015:

1.3: DE-MERGER

i. Brief details of the divisions to be demerged:

(A) Investment Division 1 from HB Stockholdings Ltd. into HB Portfolio Ltd. (Demerger 1);

Particulars	(Amount Rs. In Lakhs)
	As at 31 st March, 2015
Assets	5763.49
Liabilities	3.60
Net	5759.89

The Fair Value of Investment Division 1 of HBSL as per Adjusted NAV Method works out to Rs. 5,313 Lakhs.

APPOINTED DATE:

The appointed date for the Demerger 1 is taken as opening of business hours as on April 1, 2015.

- (B) Investment Division 2 from HB Stockholdings Ltd. into HB Estate Developers Ltd. (Demerger 2);

(Amount Rs. In Lakhs)

Particulars	As at 31 st March, 2015
Assets	3604.00
Liabilities	4.17
Net	3599.83

The Fair Value of Investment Division 2 of HBSL as per Adjusted NAV Method works out to Rs. 3,420 Lakhs.

APPOINTED DATE:

The appointed date for the Demerger 2 is taken as opening of business hours as on April 2, 2015.

- (C) Investment Division 3 from HB Portfolio Ltd. into HB Estate Developers Ltd. (Demerger 3).

(Amount Rs. In Lakhs)

Particulars	As at 31 st March, 2015
Assets	7202.50
Liabilities	3.54
Net	7198.96

The Fair Value of Division 3 of HBPL as per Adjusted NAV Method works out to Rs. 6,283 Lakhs.

APPOINTED DATE

The appointed date for the Demerger 3 is taken as opening of business hours as on April 3, 2015.

- ii. **Turnover of demerged division as a percentage of total turnover:**

Not Applicable.

- iii. **Rationale for demerger:**

- The restructuring proposed by the Management will enable investors to separately hold investment in businesses with different investment characteristics, thereby enabling them to select investments which best suit their investment strategies and risk profiles.
- In order to effectively and efficiently cater to the independent growth plans both through organic and inorganic means, for each of the businesses of the respective Company, there is a requirement of diversification and continuous funding support through equity and debt. In view of this, the Management proposes to re-organize the business of the Demerged Companies in order

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to facilitate greater efficiency in cash management and excess of cash flow generated to maximize shareholders' value. Therefore, it is proposed to demerge various Demerged Undertakings, being the Investment Divisions for different asset types of the Demerged Companies and transfer and vest the same in different Resulting Companies.

- c. The demerger shall facilitate the running of the other Investment business of the Demerged Company with a greater and focused approach. Further, the demerger shall help to create a focused Investment company.
- d. This reorganization and segregation of the businesses, is indispensable to provide focused management attention and leadership required by the business which is to be segregated and demerged as also by the residual business.
- e. Also it is believed that the proposed segregation will create enhanced value for shareholders and allow a focused strategy in operations, which would be in the best interest of the companies mentioned herein, its shareholders, creditors, and all other person connected with the companies.

iv. **Brief details of change in shareholding pattern of all entities:**

(A) HB STOCKHOLDINGS LIMITED (HBSL)

Particulars	Pre-Demerger		Post Demerger	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Promoters				
Promoter and Promoter Group (A)	1,26,61,121	53.22	1,26,61,121	53.22
Non Promoters				
Institutional	28,790	0.12	28,790	0.12
Bodies Corporate (Non Institutional)	20,41,662	8.58	20,41,662	8.58
Other Public Shareholders	90,60,645	38.08	90,60,645	38.08
Total Non-Promoter's holding (B)	1,11,31,097	46.78	1,11,31,097	46.78
Total (A+B)	2,37,92,218	100.00	2,37,92,218	100.00

➤ **REDUCTION OF SHARE CAPITAL:**

- (i) The management proposes that after the above mentioned demerger(s), the issued and paid up equity share capital of HBSL shall be reduced by reducing the face value of the equity shares from 1 (one) equity shares of Rs. 10/- fully paid up to 1 (one) equity share of Rs. 3/- each fully paid since such capital shall no longer be represented by the assets of the company.
- (ii) As a result, the issued and paid up equity share capital shall be reduced from Rs. 23,79,22,180 comprising of 2,37,92,218 shares of Rs. 10/- each to Rs. 7,13,76,654 comprising of 2,37,92,218 shares of Rs. 3/- each.
- (iii) Simultaneously, 10 (Ten) equity shares of Rs. 3 each fully paid up shall be consolidated into 3 (three) fully paid- up share of Rs. 10/- each resulting in 71,37,665 fully paid-up Equity Shares of Rs. 10/- each.

(B) HB PORTFOLIO LIMITED (HBPL)

Particulars	Pre-Demerger		Post Demerger	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Promoters				
Promoter and Promoter Group (A)	78,58,464	65.53	1,10,23,744	61.45
Non Promoters				
Institutional	1,300	0.01	8,497	0.05
Bodies Corporate (Non Institutional)	3,12,591	2.61	8,23,007	4.59
Other Public Shareholders	38,19,974	31.86	60,85,135	33.91
Total Non-Promoter's holding (B)	41,33,865	34.47	69,16,639	38.55
Total (A+B)	1,19,92,329	100.00	1,79,40,384	100.00

➤ REDUCTION OF SHARE CAPITAL:

- (i) The management proposes that after the above mentioned demerger(s), the issued and paid up equity share capital of HBPL shall be reduced by reducing the face value of the equity shares from 1 (one) equity share of Rs. 10/- fully paid up to 1 (one) equity share of Rs. 6/- each fully paid since such capital shall no longer be represented by the assets of the company.
- (ii) As a result, the issued and paid up equity share capital shall be reduced from Rs. 17,94,03,840 comprising of 1,79,40,384 shares of Rs. 10/- each to Rs. 10,76,42,300 comprising of 1,79,40,384 shares of Rs. 6/- each.
- (iii) Simultaneously, 5 (five) equity shares of Rs. 6/- each fully paid up shall be consolidated into 3 (three) fully paid-up share of Rs. 10/- each resulting in 1,07,64,230 fully paid-up Equity Shares of Rs. 10/- each after ignoring fractional shares.

(C) HB ESTATE DEVELOPERS LIMITED (HBEDL)

Particulars	Pre-Demerger		Post Demerger	
	No. of Shares	Shareholding %	No. of Shares	Shareholding %
Promoters				
Promoter and Promoter Group (A)	1,20,34,628	74.57	21,577,306	66.53
Non Promoters				
Institutional	1,320	0.01	13,243	0.04
Bodies Corporate (Non Institutional)	6,03,010	3.74	15,78,583	4.87
Other Public Shareholders	34,99,329	21.68	92,64,113	28.56
Total Non-Promoter's holding (B)	41,03,659	25.43	1,08,55,939	33.47
Total (A+B)	1,61,38,287	100.00	3,24,33,245	100.00

➤ **REDUCTION OF SHARE CAPITAL:**

- (i) In order to maintain a capital that is commensurate with the present income generating capacity and future viability of operations of HBEDL, the management proposes that the issued and paid up equity share capital of HBEDL shall be reduced by reducing the face value of the equity shares from 1 (one) equity share of Rs. 10/- fully paid up to 1 (one) equity share of Rs. 6/- each fully paid after the above mentioned demerger(s).
- (ii) As a result, the issued and paid up equity share capital shall be reduced from Rs. 32,43,32,450 comprising of 3,24,33,245 shares of Rs. 10/- each to Rs. 19,45,99,470 comprising of 3,24,33,245 shares of Rs. 6/- each.
- (iii) Simultaneously, 5 (five) equity shares of Rs. 6/- each fully paid up shall be consolidated into 3 (three) fully paid- up share of Rs. 10/- each resulting in 1,94,59,947 fully paid-up Equity Shares of Rs. 10/- each after ignoring fractional shares.

v. **Share exchange ratio**

- a. 25 Equity Share of Rs. 10/- fully paid up of HBPL will be issued for every 100 Equity Shares of Rs. 10/- fully paid of HBSL to the Shareholders of HBSL as a consideration of Demerger 1.
- b. 24 Equity Share of Rs. 10/- fully paid up of HBEDL will be issued for every 100 Equity Shares of Rs. 10/- fully paid of HBSL to the Shareholders of HBSL as a consideration of Demerger 2.
- c. 59 Equity Share of Rs. 10/- fully paid up of HBEDL will be issued for every 100 Equity Shares of Rs. 10/- fully paid of HBPL to the Shareholders* of HBPL as a consideration of Demerger 3.

** Number of shares of HBPL as on appointed date for Demerger 3, i.e. after considering the number of shares issued to the Shareholders of HBSL in Demerger 1 to be taken into account.*

vi. **Whether listing would be sought for the resulting entity:**

The resulting entities are already listed on the Stock Exchange(s). However, HBPL and HBEDL would seek listing for fresh shares to be issued consequent upon approval of the Scheme.

This is for your information and record.

Yours truly,
For **HB Portfolio Limited**



DINESH KAPOOR
(Company Secretary & Compliance Officer)