

Ref. No.: SE/2019-20/172

August 30, 2019

BSE Limited
P. J. Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

Kind Attn: Sr. General Manager
DCS - Listing Department

Kind Attn: Head – Listing

Dear Sirs,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Divestment of part shareholding of the Corporation in GRUH Finance Limited (GRUH)

We wish to draw reference to our earlier intimations on the captioned subject, wherein we had *inter alia* informed that, in relation to the proposed Scheme of Amalgamation (Scheme) between GRUH and Bandhan Bank Limited (Bandhan), the Reserve Bank of India (RBI) had granted its approval to the Corporation to acquire and hold only 9.9% or less of the paid-up share capital of Bandhan as against its entitlement of 14.96% of the paid-up share capital of Bandhan, upon the Scheme becoming effective.

Pursuant to the aforementioned direction by RBI, the Corporation had on May 24, 2019 and June 14, 2019 sold an aggregate of 7,57,86,774 equity shares of Rs. 2 each of GRUH, informed to you vide letters of even dates.

We now wish to inform you that in continuation to the above, the Corporation has today, sold 6,74,00,000 shares of GRUH, being requisite number of shares to be sold, such that the Corporation is entitled to 9.9% of the share capital of Bandhan post effectiveness of the Scheme. We also wish to inform you that post this sale, the Corporation would not be required to sell any further shares of GRUH pursuant to the aforesaid RBI directive.

The details of the sale as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given below:

Particulars	Details
Name of the target entity, details in brief such as size, turnover etc.	GRUH Finance Limited (GRUH), a listed associate company of the Corporation, is engaged in the business of providing home loans and is registered with the National Housing Bank (NHB) as a housing finance company. For the financial year ending on March 31, 2019, the revenues



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Corporate Identity Number: L70100MH1977PLC019916

	of GRUH aggregated to over Rs. 2,026.65 crore.
Whether the sale would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being sold? If yes, nature of interest and details thereof and whether the same is done at "arms length"	<p>No.</p> <p>Since the sale was carried out through stock exchanges, the same is not a related party transaction.</p> <p>Further the sale was carried out at the prevailing market price and hence on an arm's length basis.</p>
Industry to which the entity being sold belongs	GRUH is registered with NHB as a housing finance company.
Objects and effects of sale (including but not limited to, disclosure of reasons for sale of target entity, if its business is outside the main line of business of the listed entity)	<p>GRUH is proposed to be amalgamated into and with Bandhan Bank Limited (Bandhan).</p> <p>The Corporation being a shareholder of GRUH is entitled to 14.96% of the post-amalgamation paid-up capital of Bandhan, based on the share exchange ratio. However, Reserve Bank of India (RBI) vide its letter dated March 14, 2019, has directed the Corporation to hold 9.9% or less of the paid-up capital of Bandhan, post the merger.</p> <p>In view of the above, the Corporation was required to sell such number of shares in GRUH so as to be entitled to 9.9% of the post amalgamation paid-up capital of Bandhan.</p> <p>The sale reported under this disclosure is a part of the said transaction.</p> <p>The Corporation, in compliance with the RBI directive as stated above, has sold requisite number of shares of GRUH, such that it is entitled to 9.9% of the paid-up capital of Bandhan, upon effectiveness of the merger. Post this sale, the Corporation would not be required to sell any further shares of GRUH pursuant to the aforesaid RBI directive.</p>
Brief details of any governmental or regulatory approvals required for the sale	<p>The sale was undertaken pursuant to the letter dated March 14, 2019 from RBI, as explained above.</p> <p>Further, NHB has approved the said transaction vide its letter dated May 14, 2019.</p>
Indicative time period for completion of the sale	N.A.



Nature of consideration - whether cash consideration or share swap and details of the same	All cash consideration
The price at which the shares are being sold	The sale was carried out through stock exchanges at the prevailing market price. The average price was Rs. 247.15 per equity share.
Percentage of shareholding/control divested and/ or number of shares sold.	6,74,00,000 equity shares representing 9.18% of the issued and paid-up share capital of GRUH. Post completion of the aforesaid sale of shares, the Corporation would hold 38.22% of paid-up share capital of GRUH.
Brief background about the entity being sold in terms of products/line of business sold, date of incorporation, history of last 3 years turnover, country in which the sold entity has presence and any other significant information (in brief)	GRUH was incorporated on July 21, 1986 as Gujarat Rural Finance Corporation Limited with the Registrar of Companies, Ahmedabad. Its name was changed to GRUH Finance Limited with effect from August 21, 1995. GRUH is a deposit-taking housing finance company and carries on the business of providing finance to persons, company or corporation, society or association of persons, with or without interest and with or without any security for the purpose of enabling such borrower to construct or purchase or enlarge any house or dwelling unit or any part of portion thereof in India for residential purposes. The revenue of GRUH for financial years 2016-17, 2017-18 and 2018-19 were Rs. 1,487.39 crore, Rs. 1,687.19 crore and Rs. 2,026.65 crore, respectively.

We request you to kindly take note of the same and arrange to make necessary announcement.

Thank you,

Yours faithfully,

For **Housing Development Finance Corporation Limited**


V. Srinivasa Rangan
Executive Director