



Bandhan Bank
Aapka Bhala, Sabki Bhalai.

Bandhan Bank Limited

Head Office: DN 32, Sector V, Salt Lake City, Kolkata 700 091 | CIN: U67190WB2014PLC204622
Phone: +91-33-6609 0909, 4045 6456 | Fax: 033 6609 0502 | Website: www.bandhanbank.com

BBL/228/18-19

January 7, 2019

**The Deputy General Manager
Corporate Relationship Dept.
BSE Ltd.**
1st Floor, New Trading Ring
Rotunda Building, P. J. Towers
Dalal Street, Fort
Mumbai – 400 001

**The Asst. Vice President
Listing Department
National Stock Exchange of India Ltd.**
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra–Kurla Complex
Bandra (East), Mumbai – 400 051

BSE Security Code: 541153

NSE Symbol: BANDHANBNK

Dear Madam/ Sir,

Sub: Outcome of Board Meeting held on January 7, 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 dated September 9, 2015, bearing reference no. CIR/CFD/CMD/4/2015 (“Disclosure Circular”).

The Board of Directors of Bandhan Bank Limited (“**Board**”), at their meeting held today (i.e., January 7, 2019) in HDFC House, H T Parekh Marg, 165 – 166, Backbay Reclamation, Churchgate, Mumbai – 400020, after considering the report of the Audit Committee of Bandhan Bank Limited (“**Transferee Company**”), have considered and approved a scheme of amalgamation of GRUH Finance Limited (“**Transferor Company**”) into and with the Transferee Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder (“**Scheme**”). The Scheme contemplates the amalgamation of Transferor Company into and with the Transferee Company and the dissolution without winding-up of the Transferor Company pursuant thereto. (Transferor Company and Transferee Company collectively referred to as the “**Amalgamating Companies**”).

The Scheme is subject to the receipt of approval from the Reserve Bank of India (“**RBI**”) under the Banking Regulation Act, 1949, RBI Guidelines for Licensing of New Banks in the Private Sector, 2013, RBI (Prior Approval for Acquisition of Shares or Voting Rights in Private Sector Banks) Directions, 2015, and the RBI (Ownership in Private Sector Banks) Directions, 2016, and such other directions, regulations issued by the RBI, National Housing Bank and SEBI, as may be applicable, and other statutory and regulatory approvals, including approvals from the Competition Commission of India, the Hon’ble National Company Law Tribunal, Ahmedabad Bench and Kolkata Bench, Securities and Exchange Board of India, BSE Limited, the National Stock Exchange of India Limited and such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary.

The Appointed Date for the Scheme shall be January 1, 2019, or such other date as may be mutually agreed between the Amalgamating Companies and is the date with effect from which the Scheme shall be operative.



The Scheme will be filed with the stock exchanges as per the applicable provisions of Regulation 37 of the Listing Regulations read with the SEBI circular dated March 10, 2017, bearing reference no. CFD/DIL3/CIR/2017/21, as amended by any other circulars issued from time to time.

At its aforesaid meeting, the Board also approved the execution of a merger co-operation agreement between the Transferor Company and the Transferee Company (“**Merger Co-operation Agreement**”). The Merger Co-operation Agreement sets out the manner of effecting the proposed amalgamation contemplated under the Scheme, the representations and warranties being given by each party and the rights and obligations of the respective parties.

The information required to be furnished pursuant to Regulation 30 of the Listing Regulations read with the Disclosure Circular is set out herein below:

(a)	Name of the entities forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.	<p>(1) The Transferor Company has total assets of INR 15,970.97 crore, turnover of INR 1,687.19 crore and net worth of INR 1,380.92 crore as on March 31, 2018. It is listed on BSE and NSE.</p> <p>(2) The Transferee Company has total assets of INR 44,310.06 crore, turnover of INR 5,508.48 crore (includes other income) crore and net worth of INR 9,382 crore as on March 31, 2018. It is listed on BSE and NSE.</p>
(b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms’ length”	<p>No.</p> <p>Since the Transferor Company and the Transferee Company are not related parties, the amalgamation of the Transferor Company with the Transferee Company will not fall within related party transactions.</p> <p>In any event, the transactions contemplated in the Scheme are being undertaken at arms’ length.</p>
(c)	Area of business of the entities	<p>(1) The Transferor Company is a public listed deposit taking housing finance company that has obtained certificate of registration from NHB in this behalf. The Transferor Company is engaged in the business of providing home loans, with a retail network of 195 branches across 11 states and 1 union territory with almost 50% of the existing loan assets in the rural areas. The objects clause of the memorandum of association of the Transferor Company authorises the Transferor Company to carry on the business of housing finance.</p> <p>(2) The Transferee Company is a public listed company engaged in the business of providing banking services and is licensed as a banking company under the provisions of the Banking Regulation Act, 1949. It has a pan India presence in 34 States and Union Territories with 978 branches. The objects clause of</p>



		the memorandum of association of the Transferee Company authorises the Transferee Company to carry on the business of banking.
(d)	Rationale for amalgamation/merger	<p>The rationale for the Scheme is as follows:</p> <ol style="list-style-type: none">(1) The Transferee Company and the Transferor Company have developed exceptional skills in banking business and housing finance business respectively. The Transferor Company has a wide range of home loan products with a specific rural focus. With a retail network of 195 (one hundred ninety five) branches, it has a presence in 11 States and 1 Union Territory in India with almost 50% (fifty percent) of the existing loan assets advanced in rural areas. The Transferee Company received a banking license in 2015 from the RBI. Its focus has been to meet the financial needs of people who are overlooked by the formal banking system. The Transferor Company and the Transferee Company therefore have significant complementarities and the consolidation of the two businesses carried on by them is strategic in nature and will generate significant business synergies. The amalgamation will result in enhancement of shareholders' value accruing from synergy of operations, new product development, integration of technology and information technology platforms, and also enable the Amalgamating Companies to further their socio-economic objectives. Thus, a combination of the Transferor Company and the Transferee Company will enhance the value propositions of the combined entity which would be able to leverage the complementarities of the Amalgamating Companies;(2) The amalgamation of the Transferor Company with the Transferee Company will enable the Transferee Company to build and strengthen its housing loan portfolio, and establish a strong customer base of affordable housing customers. The Transferee Company would benefit from the loan assets of the Transferor Company as the strong loan book of the Transferor Company will stand merged into the Transferee Company pursuant to the amalgamation. In addition, the amalgamation will not dilute the position of the Transferor Company generating predominantly Priority Sector Lending ("PSL") loans as majority portfolio of Transferee Company is PSL eligible;(3) Pooling of resources, creating better synergies, optimal utilisation of resources and greater economies of scale;(4) Better administration and cost reduction (including



		<p>reduction in administrative and other common costs);</p> <p>(5) While the Transferee Company has pan India presence in 34 States and Union Territories with a strong presence in east and north east part of India, the proposed amalgamation will enhance reach and distribution and help expand the geographic coverage for the combined entities;</p> <p>(6) Greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximise shareholder value;</p> <p>(7) Create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, product diversification and expanded reach with increased ability to growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies amongst others;</p> <p>(8) Provide material realisable cost and revenue synergies for the benefit of the Amalgamating Companies; and</p> <p>(9) Optimal utilisation of resources and economies of scale resulting in improved efficiencies; it will help the Transferee Company to establish a strong customer base of affordable housing and scale up rural lending.</p>
(e)	In case of cash consideration – amount or otherwise share exchange ratio	<p>The share exchange ratio for the amalgamation of the Transferor Company with the Transferee Company shall be 568 (Five hundred Sixty Eight) fully paid up equity shares of the Transferee Company for every 1,000 (One thousand) fully paid up equity shares of Transferor Company.</p> <p>The share exchange ratio has been arrived at based on the joint valuation report dated January 7, 2019 submitted by SRB & Associates and M/s. Desai Haribhakti & Co., Independent Chartered Accountants, supported by a fairness opinion dated January 7, 2019 submitted by Kotak Mahindra Capital Company Limited, an Independent SEBI Registered Merchant Banker.</p>
(f)	Brief details of change in shareholding pattern (if any) of the listed entity	<p>Upon the Scheme becoming effective, the Transferee Company will issue equity shares as mentioned in (e) above to the equity shareholders of Transferor Company as on the record date and all the equity shares of the Transferor Company shall stand extinguished.</p>



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The Board Meeting started at 3:30 p.m. and concluded at 5:00 p.m.

The above is for your information and record.

Yours faithfully,

For Bandhan Bank Limited

Indranil Banerjee
Company Secretary