

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

UNDER SECTION 11(1) AND SECTION 11(2)(h) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 11(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

IN THE MATTER OF PROPOSED ACQUISITION OF SHARES AND VOTING RIGHTS IN –

TARGET COMPANY	INDIA BULLS HOUSING FINANCE LTD.
ACQUIRER	SAMEER GEHLAUT IBH TRUST

BACKGROUND –

1. Indiabulls Housing Finance Ltd. (“**Target Company**”) is a company incorporated on May 10, 2005 having its registered office address at M-62 & 63, 1st Floor, Connaught Palace, New Delhi-110001 and carries on the business of a housing finance institution which does not accept public deposits. The equity shares of the Target Company are listed on the BSE Limited (“**BSE**”) and National Stock Exchange of India (“**NSE**”).
2. An Application dated July 24, 2020 (“**Application**”) *inter alia* seeking exemption from the applicability of Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Regulations 2011**”) in the matter of proposed direct acquisition of shares in the Target Company, was received by SEBI from Mrs. Krishna Gahlawat and Mr. Balwan Singh (Trustees) on behalf of Sameer Gehlaut IBH Trust.
3. Regulation 4 of the Takeover Regulations 2011 states as under –

“Acquisition of control.

4. *Irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.”*

4. In the aforementioned Application and subsequent submissions, the following was *inter alia* stated:

A. The shareholding of the Target Company as on the date of application, is as under:

TABLE I – SHAREHOLDING IN THE TARGET COMPANY (SOURCE: BSE WEBSITE & APPLICATION)			
	NAME	NO. OF SHARES	% SHAREHOLDING
A.	PROMOTER/ PROMOTER GROUP		
1.	SAMEER GEHLAUT	1,72,51,482	4.03
2.	INUUS INFRASTRUCTURE PVT. LTD.	8,29,43,325	19.40
TOTAL PROMOTER HOLDING		10,01,94,807	23.43
B.	PUBLIC SHAREHOLDING	31,48,22,763	73.63
C.	NON PROMOTER NON PUBLIC	1,25,56,521	2.94
TOTAL (A + B + C)		42,75,74,091	100.00

B. As per the Application dated July 24, 2020:

- i. The Acquirer is a private family trust viz. Sameer Gehlaut IBH Trust (“**Acquirer Trust**”), having Address: House No. 742, Sector 21, Pocket E, Gurugram, Haryana-122016, PAN: AAZTS7586E, and email address as secretarialgurgaon@yahoo.in. The Acquirer Trust has been settled under the provisions of the Indian Trusts Act, 1882 for the benefit of the specified members of ‘Gehlaut Family’. The beneficiaries of the Acquirer Trust are the *immediate relatives* of the Promoter of Indiabulls Housing Finance Ltd. (“**Target Company**”) and part of Promoter/Promoter Group.
- ii. Gehlaut Family comprises of the following members:
 - (a) Mr. Sameer Gehlaut
 - (b) Mrs. Divya Gehlaut
 - (c) Ms. Devika Sameer Gehlaut
 - (d) Mr. Dev Sameer Gehlaut
 - (e) Mrs. Krishna Gahlawat
 - (f) Mr. Balwan Singh
 - (g) Mr. Jagdeep Singh Virk
 - (h) Mrs. Sumita Virk
 - (i) Mr. Narendra Gehlaut
 - (j) Lineal Descendants of Mr. Sameer Gehlaut

- iii. Mr. Sameer Gehlaut is the Promoter of the Target Company. The total Promoter and Promoter Group shareholding in the Target Company is 23.43%.
- iv. Acquirer Trust proposes to acquire 1,67,51,482 shares (3.91%) of the Target Company from Mr. Sameer Gehlaut and 4,73,84,632 shares (11.09%) of the Target Company from Inuus Infrastructure Pvt. Ltd. Thus, after the proposed acquisition, the Acquirer Trust shall hold 6,41,36,114 shares (15%) of the Target Company.
- v. Mr. Sameer Gehlaut holds 100% equity shares of Inuus Infrastructure Pvt. Ltd
- vi. The Acquirer Trusts have been registered vide trust deeds dated December 30, 2019.

C. The Settlor, Trustees and beneficiaries of the aforementioned Acquirer Trusts are as under –

TABLE II: DETAILS OF ACQUIRER TRUST			
Settlor	Trustees	Beneficiaries	Relationship
Mrs. Krishna Gahlawat (Mother of Sameer)	1) Mr. Sameer Gehlaut 2) Mrs. Krishna Gahlawat 3) Mr. Balwan Singh (Father of Sameer)	1) Mrs. Divya Gehlaut (Wife of Sameer) 2) Ms. Devika Sameer Gehlaut (Daughter of Sameer) 3) Mr. Dev Sameer Gehlaut (Son of Sameer)	The Beneficiaries and trustees are immediate family members. In addition, any member of Gehlaut family may become a beneficiary.

D. The proposed acquisition involves:

- i. Direct acquisition of 6,41,36,114 shares (15%) of the Target Company by the Acquirer Trust.
- ii. There would be no alteration to the total equity share capital or voting rights of Target Company as a result of the Proposed Indirect Acquisition

- iii. The shareholding pattern of Target Company (pre and post the proposed Acquisition) will be as follows:

TABLE III – SHAREHOLDING PATTERN OF TARGET COMPANY (PRE AND POST THE PROPOSED ACQUISITION)				
SHAREHOLDERS' CATEGORY	BEFORE THE PROPOSED ACQUISITION		AFTER THE PROPOSED ACQUISITION	
	NUMBER OF EQUITY SHARES/ TOTAL VOTING RIGHTS HELD	% OF EQUITY SHARES/ TOTAL VOTING CAPITAL HELD	NUMBER OF EQUITY SHARES/ TOTAL VOTING RIGHTS HELD	% OF EQUITY SHARES/ TOTAL VOTING CAPITAL HELD
PROMOTER AND PROMOTER GROUP OTHER THAN ACQUIRER				
SAMEER GEHLAUT	17251482	4.03	500000	0.12
INUUS INFRASTRUCTURE PVT. LTD	82943325	19.40	35558693	8.31
SAMEER GEHLAUT IBH TRUST	0	0	64136114	15.00
TOTAL – PROMOTER AND PROMOTER GROUP	100194807	23.43	100194807	23.43
PUBLIC	314822763	73.63	314822763	73.63
EMPLOYEE WELFARE TRUST	8400000	1.97	8400000	1.97
GDRS	4156521	0.97	4156521	0.97
GRAND TOTAL	427574091	100.00	427574091	100.00

E. Grounds for seeking exemption –

- Pursuant to the proposed acquisition, the Acquirer Trust shall form part of promoter group of the Target Company.
- The Acquirer Trust is a family trust and administered by the members of Gehlaut Family.
- There is no change in control of the Target Company as Mr. Sameer Gehlaut will continue to be the promoter of the Target Company.
- The proposed acquisition is only an internal reorganization of the shareholding of the Target Company within promoter's family for the purpose of a private family arrangement for the benefit of immediate relatives of the promoter.
- The proposed acquisition will not be prejudicial to the interests of the public shareholders of the Target Company.
- There will be no change in the overall promoter shareholding of the Target Company & Gehlaut Family will continue to be in control.

- vii. *The pre-acquisition and post-acquisition shareholding of promoter and promoter group would remain same at 23.43%.*
- viii. *Automatic exemptions available under Regulation 10 do not apply to the proposed transaction..*

5. The Acquirer Trust (vide the Application read with email dated August 14, 2020) have confirmed compliance with the following Guidelines outlined in the Schedule to the SEBI Circular dated December 22, 2017 –

- i. The Trusts are in substance, only a mirror image of the Promoters' holdings and consequently, there is no change of ownership or control of the shares or voting rights in the Target Company.
- ii. Only individual promoters or their immediate relatives or lineal descendants are Trustees and beneficiaries.
- iii. The beneficial interest of the beneficiaries of the Trusts have not been and will not in the future, be transferred, assigned or encumbered in any manner including by way of pledge / mortgage.
- iv. In case of dissolution of the Trusts, the assets will be distributed only to the beneficiaries of the trusts or to their legal heirs.
- v. The Trustees will not be entitled to transfer or delegate any of their powers to any person other than one or more of themselves.
- vi. Any change in the trustees / beneficiaries and any change in ownership or control of shares or voting rights held by Trusts shall be disclosed within 2 days to the concerned stock exchanges with a copy endorsed to SEBI for its record.
- vii. As far as the provisions of the SEBI Act and the regulations framed thereunder are concerned, the ownership or control of shares or voting rights will be treated as vesting not only with the Trustees but also indirectly with the beneficiaries.
- viii. The liabilities and obligations of individual transferors under the SEBI Act and the regulations framed thereunder will not change or get diluted due to transfers to the Trusts.
- ix. The Trusts shall confirm, on an annual basis, that they are in compliance with the exemption order passed by SEBI. The said confirmation shall be furnished to the company which it shall disclose prominently as a note to the shareholding pattern filed for the quarter ending March 31 each year, under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- x. The Trusts shall get their compliance status certified from an independent auditor annually and furnish the certificate to the Stock Exchanges for public disclosure with a copy endorsed to SEBI for its records.
- xi. The proposed acquisition is in accordance with the provisions of the Companies Act, 2013 and other applicable laws.
- xii. The transferors are disclosed as promoters in the shareholding pattern filed with the Stock Exchanges for a period of at least 3 years prior to transfer (except for holding on account of inheritance).
- xiii. There is no layering in terms of trustees / beneficiaries in case of Trusts.
- xiv. The Trust Deed does not contain any limitation of liability of the trustees / beneficiaries in relation to the provisions of the SEBI Act and all regulations framed thereunder.

CONSIDERATION –

6. I have considered the Application submitted by the Acquirer Trust and other material available on record. Without reiterating the facts as stated above, the following is noted:
- A. The Application submitted is in respect of the proposed direct acquisition of shares and voting rights in the Target Company - **Indiabulls Housing Finance Ltd.** The proposed Acquisition, detailed at paragraph 4D above, will attract the provisions of Regulation 4 of the Takeover Regulations 2011 as per the Application made on behalf of the proposed acquirer.
 - B. Pursuant to the proposed acquisition, the Acquirer Trust would hold 15.00% equity shares in Target Company.
 - C. The objective of the proposed acquisitions is to achieve efficient succession planning and for holding the controlling interest in the Target Company in one entity rather than spreading the holding amongst different individuals which may not be in the best interest of the Target Company. Efficient succession planning for the next generation is being facilitated through the Acquirer Trust.

- D. There will be no change in control of the Target Company pursuant to the proposed acquisition, as stipulated under the SEBI Circular dated December 22, 2017.
- E. The pre-acquisition and post-acquisition shareholding of the Promoters in the Target Company will remain the same.
- F. There will also be no change in the public shareholding of the Target Company.
- G. The Target Company shall continue to be in compliance with the Minimum Public Shareholding requirements under the Securities Contracts Regulation Rules, 1957 ("**SCRR**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- H. The Proposed Acquirers have also confirmed that they are in compliance with the Guidelines outlined in the Schedule to the SEBI Circular dated December 22, 2017 (as reproduced at paragraph 5).
- I. Considering the aforementioned, I am of the view that exemption as sought for in the Application (read with further submissions) may be granted to the Proposed Acquirers, subject to certain conditions as ordered herein below.

ORDER –

- 7. I, in exercise of the powers conferred upon me under Section 19 read with Section 11(1) and Section 11(2)(h) of the Securities and Exchange Board of India Act, 1992 and Regulation 11(5) of the Takeover Regulations 2011, hereby grant exemption to the Proposed Acquirer, viz. **Sameer Gehlaut IBH Trust** from complying with the requirements of Regulation 4 of the Takeover Regulations 2011 with respect to the proposed direct acquisitions in the Target Company, viz. **Indiabulls Housing Finance Ltd.**, by way of proposed transactions as mentioned in the Application.

8. The exemption so granted is subject to the following conditions:
- i. The proposed acquisition shall be in accordance with the relevant provisions of the Companies Act, 2013 and other applicable laws.
 - ii. On completion of the proposed acquisition, the Proposed Acquirers shall file a report with SEBI within a period of 21 days from the date of such acquisition, as provided in the Takeover Regulations 2011.
 - iii. The statements / averments made or facts and figures mentioned in the Application and other submissions by the Proposed Acquirers are true and correct.
 - iv. The Proposed Acquirers shall ensure compliance with the statements, disclosures and undertakings made in the Application. The Proposed Acquirers shall also ensure compliance with the provisions of the SEBI Circular dated December 22, 2017.
 - v. The Proposed Acquirers shall also ensure that the covenants in the Trust Deeds are not contrary to the above conditions and undertaking provided by the transferors. In such case, the Trust Deeds shall be suitably modified and expeditiously reported to SEBI.
9. The exemption granted above is limited to the requirements of making open offer under the Takeover Regulations 2011 and shall not be construed as exemption from the disclosure requirements under Chapter V of the aforesaid Regulations; compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Acts, Rules and Regulations.
10. The Application dated July 24, 2020 and related correspondences, filed by Sameer Gehlaut IBH Trust are accordingly disposed of.

PLACE: MUMBAI
DATE: DECEMBER 08, 2020

G. MAHALINGAM
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA