

Minutes of the Twenty-Seventh Annual General Meeting of the Members of Dewan Housing Finance Corporation Ltd held on Wednesday, 27th July, 2011 at 12.00 noon at Exchange Plaza, National Stock Exchange Auditorium, NSE Building, Ground Floor, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051

Members Present : 127 shareholders were present in person including 26 authorized representatives of the Companies
22 Shareholders were present by Proxy

Directors Present:

1. Shri Kapil Wadhawan : Chairman & Managing Director
2. Shri R. S. Hugar : Director
3. Shri R P Khosla : Director
4. Shri G P Kohli : Director
5. Shri Ajay Vazirani : Director
6. Shri Tony Hambro : Nominee of M/s. Caledonia Investment Plc.
7. Shri V. K. Chopra : Director
8. Dr. P. S. Pasricha : Director

By invitation:

Shri B. M. Chaturvedi & Shri Rajendra Gupta } Parmer of M/s. B. M. Chaturvedi & Co.
} Chartered Accountants (Statutory Auditors
} of the Company)

In attendance

1. Shri Anil Sachidanand : Chief Executive Officer
3. Shri J. N. Shah : Sr. G. M. Accounts & Taxation
4. Shri S. Y. Sankhe : Company Secretary

Chairman

Shri Kapil Wadhawan, Chairman of the Board of Directors took the chair and presided over the proceedings of the meeting.

He welcomed the shareholders to the Twenty Seventh Annual General Meeting of the Company. After ascertaining that the requisite number of members forming the quorum for the meeting was present, the Chairman called the meeting to order.

The Register of Directors' Shareholding and Proxy

The Chairman informed the members that the Register of member, Register of Directors' Shareholding maintained pursuant to provisions contained in the Companies Act, 1956 and the Register of Proxy were placed at the Meeting and were available for inspection by the members during the meeting.

Notice of the Meeting and Directors' Report

With the consent of the Members present, the Notice convening the 27th Annual General Meeting and the Report of Directors of the Company were taken as read. The Chairman informed the members that all the necessary Statutory Registers were available for inspection, if so required by the members.

Auditors' Report

The Chairman requested Shri S. Y. Sankhe, Company Secretary to read the Auditors' Report on the audited Accounts for the year ended 31st March 2011. Thereafter, the Company Secretary read the Auditor Report.

Chairman's Statement

Thereafter, the Chairman addressed the members and delivered his statement, which was as follows:

“Quote

Dear Shareholders,

A copy of Annual report is already with you, and I am sure that all of you must have gone through the same. Let me highlight some of the major developments during the last year and the current financial year.

Loan Approvals and Disbursements

During the year ended 31st March, 2011 , your Company approved loans amounting to ₹8949 crore as compared to ₹5274 crore in the previous year, representing a growth of 70% and disbursed loans amounting to ₹6506 crore as against ₹3866 crores during 2009-10 representing a growth of 68%.

As at March 31, 2011, cumulative loan disbursements were ₹19740 crores. The demand for individual home loans continued to be robust despite the rising interest rate environment. The average size of new individual home loans granted during the year stood at ₹8 lac.

Collection and Recoveries

The collection efficiency of your Company continued to be satisfactory. Gross non-performing assets where payments of EMI/PEMI were in arrears for 90 days or more amounted to ₹94.29 crore. As per the prudential norms prescribed by the National Housing Bank, the company is required to carry a provision of ₹36 crore in respect of non performing Housing loans, and other loans .Provision for contingencies has been further strengthened by transfer of Rs. 9 crore, taking total provision to ₹45 crore. As result your Company's net NPA stood at 0.10% as at 31st March, 2011.

Financials

The net profit before tax and depreciation for the year ended 31st March 31, 2011 amounted to ₹309.78 crore as against ₹205.02 crore in the previous year, representing an rise of 51.10%. The profit after tax went up by 75.94% to ₹265.13 crore from ₹150.69 crore in the previous year.

The Board of Directors of your company has recommended a dividend of 35% (₹3.50 per equity share). The payment of dividend if approved will commence from 2nd August, 2011.

Current Year's Performance

The Board of Directors of your Company at its meeting held earlier today had approved the Unaudited Financial Results for the quarter ended 30th June, 2011, which has been subjected to Limited Review by the Auditors. In spite of the interest rate challenges wherein RBI has been raising rates consistently for the last three quarters, your Company has registered a stable growth in the first quarter ending 30th June, 2011 as compared to previous quarter 30th June, 2010.

- Loan disbursements grew by 22.01% from ₹1274.05 crore to ₹1554.41 crore
- Total income increased by 66.51% from ₹298.91 crore to ₹497.70 crore
- Profit before Tax increased by 31.14% from ₹66.63 crore to ₹87.38 crore
- Net Profit has increased by 28.38% from ₹51.24 crore to ₹65.75 crore.

The lower and middle income segment in which your company has a leadership position is expected to remain the primary growth driver for the Indian residential sector in 2011-12. As a Company, we will continue to focus on this segment in the future.

The year 2010-11 has been a year of reckoning for your Company. With the acquisition of Deutsche Post Bank Home Finance Limited now re-named as **First Blue Home Finance Limited** and the launch of Aadhar Housing Finance Pvt. Ltd., a joint venture between DHFL & IFC, Washington, we are determined to make inroads into areas so far untapped. These Companies give us a better geographical spread combined with a much greater focus in varied customer segments in the Indian Housing Finance space. Aadhar is the first Company in the country to serve the needs of low income households, with a focus on the six states of UP, MP, Bihar, Jharkhand, Orissa and Chhattisgarh.

Subsequent to your approval by way of Postal Ballot, we have passed the special resolution relating to alteration and amendment to the main objects Clause by inserting the new Clause 1(a) after the existing main clause number 1 under Clause III A of the Memorandum of Association of the Company i.e to procure Insurance business as Corporate Agent.

Annual Report & Green Initiatives

The cost of printing the annual report for financial year 2010-11 was ₹45.25/- per copy as against ₹65/- per copy in the previous year.

In terms of the green initiative on corporate governance undertaken by the Ministry of Corporate Affairs, the company has sent the annual report and the notice by e-mail to shareholders who have registered their e-mail address with the depository participants.

In order to support this green initiative, I request members to register their e-mail address with their depository participant in case they hold shares in electronic form or with the company or Company's Registrar in case they hold shares in physical form. I believe that this small step would go a long way in maintaining a greener planet.

Annual Report of subsidiary companies

The annual report of your Company does not contain the annual accounts of its subsidiary companies in terms of the exemption granted by the central government under section 212(8) of the companies act, 1956. However, the Company has made arrangements to send the annual report of subsidiary companies to its shareholders on request.

Conclusion

I thank you, for your constant and valuable support, which I am sure, will continue in the future as well. Your encouragement is important for DHFL's continuous growth and for fulfillment of the vision of My Father, Late Shri Rajesh Kumar Wadhawan, the Founder Chairman. Personally for me, it is an honour to be at the helm at this phase of growth and consolidation of your Company.

On behalf of team DHFL, I would like to take this opportunity to thank all our business associates, NHB, Banks and Financial Institutions for their continued support. I would also like to express my appreciation to all our employees. Working together selflessly, they have met and often exceeded the expectations of our valued customers.

Thank you,

With warm regards,

Unquote"

Then the Chairman invited Shareholders who wished to speak to offer their comments. Smt. Asha Lata Maheshwari, Smt. Homa B. Pouredahi, Smt. C. E. Mascarenhas, Smt. Shobhana Mehta, Beruz F Pouredahi, Smt Smitha Shah, Shri K. L. Makhija Shri H. V. Shanghavi, Shri Aspi Bhasania, and the other shareholders made their observations and comments and raised queries on the Annual Report and the Accounts. The Chairman suitably answered their queries to their satisfaction.

The Members lauded and appreciated the Company's efforts of raising funds for its future growth plan by successful placement of equity shares to QIB and Issue of Preferential Issues to Promoter Group Entities and Caledonia Investment during the financial year 2010-11. They expressed that the above initiative would enable the Company improve in all areas of its operations

Thereafter, the following resolutions were placed before the meeting:

ORDINARY BUSINESS

1 Adoption of Audited Accounts

The following resolution was proposed by *Smt. Ashalata Maheshwari* as an **Ordinary Resolution**, which was seconded by *Shri H. V. Sanghavi*

“RESOLVED THAT the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account of the Company for the financial year ended on that date, together with the Schedules and the Notes attached thereto and the Reports of the Directors and the Auditors thereon as circulated to the Members and laid before the Meeting, be and are hereby received, considered, approved and adopted.

RESOLVED FURTHER THAT the Consolidated Balance Sheet as at 31st March, 2011 and the Profit and Loss Account of the Company for the financial year ended on that date, together with the Schedules and the Notes attached thereo and the Reports of the Auditors thereon of the subsidiaries of the Company for the period ended 31st March 2011, as circulated to the Members and laid before the Meeting, be and are hereby received, considered, approved and adopted.”

The Resolution was then put to vote by show of hands and was passed unanimously. The Chairman declared the aforesaid Ordinary Resolution passed unanimously.

2. Declaration of Dividend on Equity Shares

The following resolution was proposed by *Shri H. V. Sanghavi* as an **Ordinary Resolution**, which was seconded by *Smt. Shobhana Mehta*.

“RESOLVED THAT the dividend @ **35%** (i.e. **₹3.50 per equity share** of **₹10/-**) amounting to **₹36,65,30,269 (Rupees Thirty Six Crore Sixty Five Lakh Thirty Thousand Two Hundred And Sixty Nine Only)** on the expanded paid-up equity share capital of the company payable to the shareholders, subject to rounding off as per Rule 23 of Companies (Central Government's) General Rules & Forms 1956, be and is hereby declared out of the current/accumulated profits of the Company for the financial year **2010-2011** and be paid to the equity shareholders of the Company whose names appear on

the Company's Register of Members on **27th July, 2011**, (i) in respect of shares held in physical form and (ii) in respect of shares held in dematerialized form, the dividend be paid to the beneficial owners of the shares whose names appear in the Statement of Beneficial Ownership, as at the close of business hours on **19th July, 2011**, furnished by National Securities Depository Limited and Central Depository Services (India) Limited."

The Resolution was then put to vote by show of hands and was passed unanimously. The Chairman declared the aforesaid Ordinary Resolution passed unanimously

3. *Re-appointment of Shri Ajay Vazirani as Director*

The following resolution was proposed by Smt. Shobhana Mehta as an **Ordinary Resolution**, which was seconded by *Shri Beruz F Pouredahi*

“RESOLVED THAT Shri Ajay Vazirani who retires by rotation pursuant to sections 255 and 256 of the Companies Act, 1956 and Article 158 of the Articles of Association of the Company, and being eligible offers himself for re-appointment be and is hereby re-appointed as the Director of the Company liable to retire by rotation.

The Resolution was then put to vote by show of hands and was passed unanimously. The Chairman declared the aforesaid Ordinary Resolution passed unanimously.

4. *Re-appointment of Shri V. K. Chopra as Director*

The following resolution was proposed by *Shri Beruz F Pouredahi* as an **Ordinary Resolution**, which was seconded by *Mrs. C. E. Mascarenhas*.

“RESOLVED THAT Shri V. K. Chopra who retires by rotation pursuant to sections 255 and 256 of the Companies Act, 1956 and Article 158 of the Articles of Association of the Company, and being eligible offers himself for re-appointment be and is hereby re-appointed as the Director of the Company liable to retire by rotation.

The Resolution was then put to vote by show of hands and was passed unanimously. The Chairman declared the aforesaid Ordinary Resolution passed unanimously.

5. *Appointment of Auditors*

The following resolution was proposed by *Smt. Smita Shah.* as an **Ordinary Resolution**, which was seconded by *Smt Shankunthala Mahajan*

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956 M/s. B. M. Chaturvedi & Co., Chartered Accountants, Mumbai, bearing the Registration Number 114317W with the Institute of the Chartered Accountants of India (ICAI), the retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on a remuneration as may be mutually agreed to between the Board of Directors and the said Auditors and reimbursement of out of pocket expenses, travelling and other expenses in connection with the work of audit to be carried out by them.

RESOLVED FURTHER THAT the Board of Directors is hereby authorized to appoint Branch Auditor(s) of the Company, in consultation with the Company’s Auditors, to audit the accounts of the Company’s Zonal Offices, Regional Processing Units [RPU] and branch offices, present and future on such terms and conditions including remuneration as may be decided by the Board of Directors.”

The Resolution was then put to vote by show of hands and was passed unanimously. The Chairman declared the aforesaid Ordinary Resolution passed unanimously.

6. *Issue of Securities under Employees Stock Option Scheme (ESOS)*

The following resolution was proposed by *Mrs. C. E. Mascarenhas* as a **Special Resolution**, which was seconded by *Shri Shri K. L. Makhija.*

“RESOLVED THAT in supersession of the special resolution under Item No.8 passed by the Members at the Twenty -Third Annual General Meeting of the Company held on 23rd July, 2007 and Extra-Ordinary General Meeting held on 31st March 2009, under Item No.2 in respect of Options granted under ESOS Scheme 2008 and pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements with the Stock Exchanges and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)

Guidelines, 1999 and other rules and regulations, prescribed by the Securities and Exchange Board of India (“SEBI”) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include Remuneration & Compensation Committee or any Committee constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to introduce and implement the **DHFL Employee Stock Option Scheme (“ESOS”)** as detailed in the explanatory statement to this Notice and to create, grant, offer, issue and allot, to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or out of India and the Directors (including whole-time Directors) of the Company (hereinafter collectively referred to as the “Employees”), equity shares of the Company and/or Options giving right to purchase or subscribe such number of equity shares/ equity linked instruments including any depository receipts, which could give rise to the issue of equity shares (hereinafter collectively referred to as the “Securities”) of the Company not exceeding in an aggregate of ten percent of the aggregate number of issued equity shares of the Company at any point of time, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions as the Board may decide.

RESOLVED FURTHER THAT the maximum number of Securities issued/granted in terms of this resolution, to any single Employee (including any non executive or independent Director) during any one year shall be less than 1% of the issued and paid up equity shares of the Company; provided however that the aggregate Securities issued/granted to all the Employees under the ESOS shall not exceed (10%) ten per cent of the existing paid-up share capital of the Company as on 13th May, 2011, i.e. 104,48,981 equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the ESOS on such terms and conditions as contained in the Explanatory Statement to this item in the Notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS from time to time including but not limited to, amendment(s) with respect to Annual Report 2010-2011 Notice vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS.

RESOLVED FURTHER THAT the Securities may be allotted in accordance with the ESOS either directly and/ or through an existing trust or a trust which may be set up and/or in any other permissible manner and that the ESOS may also envisage for providing any financial assistance to the trust to enable the trust to acquire, purchase or subscribe the Securities of the Company as per the ESOS.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the aforesaid Resolution shall in all respects rank pari passu inter se with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under ESOS on the Stock Exchanges, where the securities of the Company are listed, as per the provisions of the Listing Agreement executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors or the Chairman & Managing Director the Company or Company Secretary of the Company with a power to further delegate to any executives/ officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc. as may be necessary in this regard.”

The Resolution was then put to vote by show of hands and was passed unanimously. The Chairman declared the aforesaid Special Resolution passed unanimously.

7. ***Issue of Securities under the Employees Stock Option Scheme to employees of the subsidiary companies***

The following resolution was proposed by *Shri Jiten Parekh* as a ***Special Resolution***, which was seconded by *Shri H. V. Sanghvi*.

“RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof for the time being in force), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements with the Stock Exchanges and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other rules and regulations, prescribed by the Securities and Exchange Board of India (“SEBI”) or any other relevant authority, from time to time, to the extent applicable and subject to any approvals, consents, permissions and sanctions of any authorities as may be required, and subject to any such conditions or modifications as may be prescribed or imposed by such authorities while granting such approvals, consents, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board to extend the benefits of the DHFL Employee Stock Option Scheme (ESOS) referred to in the resolution under Item No. 6. of this Notice and duly passed by the Members, subject to the overall limit specified under the said ESOS, to such permanent employees of the subsidiary companies of the Company whether working in India or out of India and Directors of subsidiary companies whether whole-time Directors or otherwise and/or such other persons, as may from time to time, be allowed to enjoy the benefits of the ESOS under prevailing laws and regulations on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of the securities without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors or the Chairman & Managing Director or the Company Secretary of the Company with a power to further delegate to any executives/ officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc. as may be necessary in this regard”.

The Resolution was then put to vote by show of hands and was passed unanimously. The Chairman declared the aforesaid Special Resolution passed unanimously.

8. *Increase in the Borrowing Limits*

The following resolution was proposed by *Shri Aspi Bhasania* as an **Ordinary Resolution**, which was seconded by *Shri H. V. Sanghvi*.

“RESOLVED THAT the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enhancement thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other firms, bodies corporate, persons notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loan, overdrafts obtained from the Company’s Bankers in the ordinary course of business), may at any time, exceed upto a sum of ₹1,00,000 crore (Rupees One Lakh crore only) over and above the aggregate of the then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such money to be borrowed from time to time as to interest, repayment, security or otherwise as they may in their absolute discretion think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty, doubt that may arise in respect of the borrowings(s) aforesaid and further to do all such acts, deeds and things and to execute documents and writings as may be necessary, proper, desirable or expedite to give effect to this resolution.”

The Resolution was then put to vote by show of hands and was passed unanimously. The Chairman declared the aforesaid Ordinary Resolution passed unanimously.

Vote of Thanks

Smt. Ashalata Maheshwari proposed a vote of thanks to the Chair. Thereafter, the Chairman declared the meeting as concluded.

Sd/-

***Kapil Wadhawan**
Chairman & Managing Director*

Date: 29th July, 2011
Place : Mumbai