

Minutes of the Twenty-Fourth Annual General Meeting of the members of Dewan Housing Finance Corporation Ltd held on Monday, 28th July, 2008 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 : 81 shareholders were present in person including 6 authorized representatives of the Companies
27 Shareholders were present by Proxy

Directors Present:

1. Shri Rakesh Kumar Wadhawan : Chairman
2. Shri Kapil Wadhawan : Vice- Chairman & Managing Director
3. Shri Sarang Wadhawan : Director
4. Shri Dheeraj Wadhawan : Director
5. Shri R P Khosla : Director
6. Shri G P Kohli : Director
7. Shri R. S. Hugar : Director
8. Shri Ashok Kumar Gupta : Director
9. Shri Tony Hambro : Nominee of M/s. Caledonia Investment Plc.
10. Shri Ajay Vazirani : Director
11. Shri V. K. Chopra : Director

By invitation:

1. Shri B. M. Chaturvedi : Statutory Auditor

In attendance

1. Shri S. Y. Sankhe : Company Secretary
2. Shri J. N. Shah : G. M. Accounts & Taxation
3. Shri Prashant Chaturvedi : G. M.- Finance & Resources

Chairman

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

He welcomed the shareholders to the 24th 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.

Notice of the Meeting and Directors' Report

With the consent of the Members present, the Notice convening the 24th 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 2008. 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

I consider it may privilege to be addressing this august gathering and sharing my views on the housing scenario and discussing the highlights of your Company's performance and progress during the year.

Indian Economy in 2007- 08

Sustained growth and absorption of latest technological innovation have undoubtedly elevated the country's economy to a higher growth plan and helped India to emerge as one of the growing economies of the world with 8.7% (estimated) growth during 2007-08. The sustained growth may be attributable to the dynamic commercial sector, active capital market and expanding manufacturing, services sectors including real estate business and housing. This has laid down the foundation for achieving an 8% plus growth rate during the ensuing 12th Plan period. Against the background of sound macro-economic fundamentals of Indian Economy, the global economic situation, characterized by rising oil prices and a slowdown in US economy following sub-prime lending crisis, however, may marginally slow down economic growth to around 8.00% to 8.50% (projected) during 2008-09. During 2007-08, hardening interest rate scenario and occasional tight liquidity caused concern in the housing finance system albeit for a shorter term. Strengthening of recovery machinery helped the Company to improve the quality of home loan assets and reduce Non Performing Assets. Adoption of information technology gained added momentum during the year

Housing Scenario

Today, the home loan rates are high. Mortgage finance by banks and housing finance companies grew by around 30 per cent on a compounded basis during the last five years, boosted by low interest rates and a booming economy. However, a sustained rise in property prices during 2007-08 along with rising interest rates resulted in a significant slowdown in disbursements in 2007-08.

Considering the current interest rate environment and factoring in possible salary increments for a borrower, we expect disbursements to slow down in the financial year 2008-09.

The slowdown in home loan growth would continue in 2008-09, with slow down in disbursements, on the back of a subdued growth in 2007-08. While banks are slowing down their retail loan exposure which mainly comprise home loans, housing finance companies should benefit more out of it.

Salaries have risen by 13-14 per cent per annum over the last couple of years due to strong economic conditions. This pace of growth suggests that the temporary mismatch between increase in EMIs and salary increments might get corrected if the interest rate regime stays benign.

Moreover, we are optimistic about maintaining and improving the key fundamental indicators such as net interest margins (NIMs) and low non performing assets due to improving incomes and strong recovery mechanisms. Greater emphasis on appraisal standards, monitoring and collection systems to check any incipient deterioration in the credit quality of their home loan portfolios

Company Performance 2007-08

The annual results shows that your Company has made a commendable performance not only in the areas of sustained business growth with profitability but also in the disbursement of housing loans, stake-holders value, enhanced visibility, faster adoption of technology, among others things. All these have helped to bolster market perception manifold for your Company. Now, I would like to present you a profile of performance of your Company for the year 2007-08.

While the total income for the year amounted to Rs.523.42 crore as compared to Rs. 332.29 crore in the preceding year, representing an increase of 57.52%. Profit Before Tax (PBT) increased by 77.80% from Rs. 59.46 crore to Rs. 105.72 crore. The Loan disbursements during the year ended March 31, 2008 stood at Rs.1,761.58 crore recording an increase of 19.60% over the previous year. Total loan assets have increased from Rs. 3,301.97 crore in preceding financial year to Rs. 4,158.07 crore in the financial year 2007-2008, representing a growth of 25.92%. Although the conditions in the fixed deposit segment were sluggish, your Company was able mobilize Fixed deposits of Rs. 18.92 crore during the year. Total public deposits with the Company as on 31st March, 2008 stood at Rs. 46.90 crore.

Your Directors are happy to recommend a *final dividend* of 10% on the enhanced paid up capital of Rs. 60.52 crore. This, together with the interim dividend of 15% already paid during October, 2007 aggregates to a total dividend of 25%, during the year ended 31st March, 2008.

On the NPA front, your Company has done well to restrict further addition to NPA accounts inspite of changes in prudential norms which now stands at 90 days instead of 180 days for provisioning. Consistent follow-up measures along with innovative receivables management practices also helped your Company to reduce the net NPAs further from 1.23% as on March 31, 2007 to 1.17% of net advances as on March 31, 2008.

DHFL has entered into Silver Jubilee Year on 14th April, 2008. This is a moment of great joy and celebration for all stakeholders of DHFL. We plan to organize events / programmes at the local, national and international levels to mark the occasion.

Acknowledgement

The Board is grateful to all the members for their continual support and trust in us. The Board also would like to put on record its appreciation for the professional services offered by the Company's Legal Advisers, Management and Tax Consultants, Bankers, Foreign Investor, Internal Auditors and Statutory Auditors for their co-operation and their valuable guidance. I take this opportunity to express our gratitude to our members, depositors, employees at all levels and others for their valuable support.

I would also like to thank all those institutions, authorities and individuals who have extended their support and seek your support for the good work of enabling affordable access to housing finance to the many households that need it.

Unquote”

Before the resolutions were placed before the meeting, the Chairman invited questions from the members. Some Members made their observations and comments and raised queries on the Annual Report and the Accounts. The Chairman suitably answered their queries to their satisfaction.

ORDINARY BUSINESS

1 Adoption of Audited Accounts

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

“RESOLVED THAT the audited Balance Sheet as at 31st March, 2008 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.”

Thereafter, the above resolution was put to vote by show of hands. All the shareholders present voted in favour of the resolution. The Chairman declared the Ordinary Resolution as 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 *Shri Mahesh Jain*

“RESOLVED THAT the interim dividend paid @ 15% on equity shares of Rs. 10/- each be and is hereby confirmed and divided @ 10% (i.e. Re. 1.00 per equity share of Rs. 10/-) be and is hereby declared for payment on 6,05,22,975 equity shares of Rs. 10/- each for the financial year 2007-2008 and the same shall be paid to those shareholders whose names appear in the Register of Members as on 21st July, 2008 (book closure date).”

Thereafter, the above resolution was put to vote by show of hands. All the shareholders voted in favour of the resolution. The Chairman declared the aforesaid Ordinary Resolution passed unanimously.

3. *Re-appointment of Shri Sarang Wadhawan as Director*

As the next item related to re-appointment of Shri Sarang Wadhawan, Shri Rakesh Kumar Wadhawan, Chairman being interested in the said resolution vacated the Chair and requested Shri R. S. Hugar, Director to take the Chair and conduct the proceedings. Thereafter, Shri R. S. Hugar took the Chair and conducted the proceedings.

The following resolution was proposed by *Shri Aspi Bhasania* as an **Ordinary Resolution**, which was seconded by *Shri Hiren Vyas*

“RESOLVED THAT Shri Sarang Wadhawan 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 Chairman put the above resolution to vote by show of hands and thereafter declared the resolution as passed unanimously.

Shri R. S. Hugar requested Shri Rakesh Kumar Wadhawan to take the Chair again. Thereafter, Shri Rakesh Kumar Wadhawan took the Chair and conducted the proceedings.

4. *Re-appointment of Shri R. P. Khosla as Director*

The following resolution was proposed by *Smt. Ashalata Maheshwari* as an **Ordinary Resolution**, which was seconded by *Smt Shakuntala Mahajan*

“RESOLVED THAT Shri R. P. Khosla 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 Chairman put the resolution to vote by show of hands and thereafter declared the same as carried unanimously.

5. *Re-appointment of Shri R. S. Hugar as Director*

The following resolution was proposed by *Smt. C. E. Mascarenhas* as an **Ordinary Resolution**, which was seconded by *Smt Shakuntala Mahajan*

“RESOLVED THAT Shri R. S. Hugar 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.

6. *Appointment of Auditors*

The following resolution was proposed by *Shri Bharat Negandhi* as an **Ordinary Resolution**, which was seconded by *Smt Freny N Batlibhoi*

“RESOLVED THAT pursuant to the provisions of Sections 224 and other applicable provisions, if any of the Companies Act, 1956 M/s. B. M. Chaturvedi & Co., Chartered Accountants, Mumbai, 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 and branch offices, present and future on such terms and conditions including remuneration as may be decided by the Board of Directors.”

The Chairman put the resolution to vote by show of hands and thereafter declared the same as carried unanimously.

SPECIAL BUSINESS

7. *Appointment of Shri Ajay Vazirani as a Director*

The following resolution was proposed by *Shri Beruz Feramroz Pouredahi* as an **Ordinary Resolution**, which was seconded by *Smt. Ashalata Maheshwari*

“RESOLVED THAT Shri Ajay Vazirani, who was appointed as an Additional Director of the Company with effect from 4th January, 2008, pursuant to Section 260 of the Companies Act, 1956 and Article 146 of the Articles of Association of the Company and who holds office till the date of forthcoming Annual General Meeting and being eligible has offered himself for appointment and in respect of whom a notice in writing along with requisite deposit amount pursuant to Section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

8. *Appointment of Shri Dheeraj Wadhawan*

The following resolution was proposed by *Shri Bharat Negandhi* as an **Ordinary Resolution**, which was seconded by *Smt Shakuntala Mahajan*

“RESOLVED THAT Shri Dheeraj Wadhawan, who was appointed as an Additional Director of the Company with effect from 12th May, 2008, pursuant to Section 260 of the Companies Act, 1956 and Article 146 of the Articles of Association of the Company and who holds office till the date of forthcoming Annual General Meeting and being eligible has offered himself for appointment and in respect of whom a notice in writing along with requisite deposit amount pursuant to Section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

9. *Appointment of Shri V. K. Chopra*

The following resolution was proposed by *Shri Pradeep Aggrawal* as an **Ordinary Resolution**, which was seconded by *Shri Aspi Bhasania*

“RESOLVED THAT Shri V. K. Chopra, who was appointed as an Additional Director of the Company with effect from 12th May, 2008 pursuant to Section 260 of the Companies Act, 1956 and Article 146 of the Articles of Association of the Company and who holds office till the date of forthcoming Annual General Meeting and being eligible has offered himself for appointment and in respect of whom a notice in writing along with requisite deposit amount pursuant to Section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

The Chairman put the resolution to vote by show of hands and thereafter declared the same as carried unanimously.

10 Re-classification in the Authorised Share Capital

The following resolution was proposed by *Shri H. V. Sanghavi* as a **Special Resolution**, which was seconded by *Shri K. V. Shah*

“RESOLVED THAT pursuant to the provisions of Section 16, 31, 94 and other applicable provisions, if any, of the Companies Act, 1956, part of the Preference Shares Capital amounting to Rs. 25 crore consisting of :

- (a) 75,00,000 (Seventy Five Lakh) Preference Shares of Rs. 25/- (Rupees Twenty Five only) each aggregating to Rs.18,75,00,000/- (Rupees Eighteen Crore Seventy Fifty Lakh Only) and
- (b) 62,50,000 (Sixty Two Lakh Fifty Thousand) Preference Shares of Rs. 10/- each (Rupees Ten only) each aggregating to Rs. 6,25,00,000 (Rupees Six Crore Twenty Five Lakh Only) out of the present 8,12,50,000 (Eight Crore Twelve Lakh Fifty Thousand Only) Preference Shares of Rs. 10/- each.

which are lying unissued, be and are hereby cancelled, for the purposes of reclassification of Authorized Share Capital of the Company.

FURTHER RESOLVED THAT the present Authorised Share Capital of the Company of Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore Only) be and is hereby reclassified as :

- (a) 17,50,00,000 (Seventeen Crore Fifty Lakh) Equity Shares of Rs. 10/- each and
- (b) 7,50,00,000 (Seven Crore Fifty Lakh) Preference Shares of Rs. 10/- each.

FURTHER RESOLVED THAT the Memorandum of Association of the Company be suitably altered by substituting the following for existing Clause V of the Memorandum of Association of the Company:

“The Authorised Share Capital of the Company is Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore Only) divided into (a) 17,50,00,000 (Seventeen Crore Fifty Lakh) Equity Shares of Rs. 10/- each and (b) 7,50,00,000 (Seven Crore Fifty Lakh) Preference Shares of Rs. 10/- each, with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divided the Share Capital of the Company for the time being and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of the Association of the Company and subject to the provisions of the Companies Act, 1956, for the time being in force.”

FURTHER RESOLVED THAT the Articles of Association of the Company be altered by substituting the following new Article 4 in place of existing Article 4:

“The Authorised Share Capital of the Company is Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crore Only) divided into (a) 17,50,00,000 (Seventeen Crore Fifty Lakh) Equity Shares of Rs. 10/- each and (b) 7,50,00,000 (Seven Crore Fifty Lakh) Preference Shares of Rs. 10/- each, with power to increase, reduce or modify the said Share Capital from time to time in accordance with these Articles and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Share Capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions including that of redemption and/or conversion as may be determined by or in accordance with these presents and the provisions of the law for the time being in force.”

The Chairman put the resolution to vote by show of hands and thereafter declared the same as carried unanimously.

11 *Insertion of new clause in the Share Capital Clause of the Articles of Association of the Company*

The following resolution was proposed by *Shri Shri Beruz Feramroz Pouredahi* as a ***Special Resolution***, which was seconded by *Smt. Shankunthala Mahajan*

“RESOLVED THAT the pursuant to the provision of Section 31 and other applicable provision, if any, the Companies Act 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the Article of Association of the Company be and is hereby altered by inserting a new Article as 6(a) after Article 6 of the Articles of Association of the Company under the heading ‘CAPITAL AND INCREASE AND REDUCTION OF CAPITAL’

6(a) **NOTWITHSTANDING** anything contained in these Articles, in terms of the provisions of Section 81(A) and other applicable provisions of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, and subject to the provisions of the SEBI (Disclosures and Investors Protection Guidelines in force, the Company shall issue from time to time warrants/options and such other instruments, which entitle the holder of such warrants/instruments to apply for and obtain the allotment of equity shares, which shall rank pari -passu with the existing equity shares of the Company.’

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may in its absolute discretion, be deemed necessary and to settle any question or difficulty that may arise in this regard.”

The Chairman put the resolution to vote by show of hands and thereafter declared the same as carried unanimously.

12 *Revision in Remuneration payable to the Vice-Chairman & Managing Director.*

The following resolution was proposed by *Smt Ashalatha Maheshwari* as an **Ordinary Resolution**, which was seconded by *Shri Bharat Negandhi*

“RESOLVED THAT in partial modification of Resolution No. 8 passed by the Members at the 21st Annual General Meeting of the Company held on 25th July, 2005 approving the appointment and terms of remuneration of Shri Kapil Wadhawan, Managing Director (now re-designated as Vice Chairman & Managing Director) and in accordance with the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the variation in the terms of remuneration of Shri Kapil Wadhawan as Vice Chairman & Managing Director as revised by the Board of Directors, after due recommendation by the Remuneration & Compensation Committee, and as specified in the Explanatory Statement to this Resolution, be and are hereby approved for the remaining period of his tenure of office, effective from 1st July, 2008 and as set out in the draft supplemental agreement to be entered into with Shri Kapil Wadhawan .

RESOLVED FURTHER THAT all other terms and conditions of appointment of Shri Kapil Wadhawan, as approved earlier by the Members, shall remain unchanged.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to revise the remuneration packages of Shri Kapil Wadhawan, Vice Chairman & Managing Director, from time to time, within the ceilings prescribed under Section 198,309, 311 and other applicable provisions of and Schedule XIII to the Companies Act, 1956, as be in force from time to time”.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or Remuneration & Compensation Committee constituted by the Board be and are hereby severally authorized to take all steps, actions and do all such acts, deeds matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any questions difficulty or doubt that may arise in this regard.”

The Chairman put the resolution to vote by show of hands and thereafter declared the same as carried unanimously.

13 *Issue of Redeemable Preference Shares*

The following resolution was proposed by *Shri Bharat Negandhi* as a Special Resolution, which was seconded by *Smt Freny N Batlibhoi*

“RESOLVED THAT pursuant to the provisions of Section 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges where the Company’s share are listed and such other authorities, as may be applicable, as amended till date and subject to requisite approvals or consents, if any, of Government of India, Reserve Bank of India, National Housing Bank, SEBI, Stock Exchanges, Central Listing Authority, Banks, Financial Institutions and other appropriate authorities under any other applicable laws, rules and regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such consents and approvals which the Board of Directors (hereafter referred to as “the Board”, which term shall be deemed to include any committee thereof for the time being, and from time to time, to which all or any of the powers hereby conferred on the Board by the resolution may have been delegated), be and is hereby authorised to accept and subject to such conditions and modifications as may be considered appropriate by the Board of the Company, consent of the Company be and is hereby accorded to the Board (with powers to delegate all or any of the powers hereby conferred to any committee thereof), to create, issue, offer and allot on a preferential/private placement basis to such persons, including Indian Public Companies, Bodies Corporate, Financial Institutions, Banks, Mutual Funds, trusts, local bodies, general public and/or any other person whether Shareholders of the Company or not, as the Board may deem fit, in one or more tranches upto 7,50,00,000 (Seven Crore and Fifty Lakh) Redeemable Preference Shares of Rs. 10/- (Rupees ten only) each of an aggregate nominal value not exceeding Rs. 75,00,00,000 (Rupees Seventy Five Crore only) for cash, at par or at such premium, upon such terms and conditions as to rate of dividend, period of redemption, put/call options, as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT without prejudice to the generality of the above and for the purpose of giving effect to the above, the Board be and is hereby authorized to determine as to when the Redeemable Preference Shares are to be issued, the terms of the issue including the Class of Investors to whom the aforesaid shares are to be allotted, number of shares to be allotted in each tranche, issue price, rate of dividend, the terms of cumulating or otherwise of

dividends, redemption period, manner of redemption, premium on redemption or premature/early redemption at the option of the Company and/or investor, listing on one or more Stock Exchanges and all such terms as are provided in offering of a like nature as the Board may in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to do all such acts, deeds, matters and things execute all such deeds and documents as may be necessary and settle any questions or difficulties that may arise in regard to the said issue(s).”

The Chairman put the resolution to vote by show of hands and thereafter declared the same as carried unanimously.

14 *Vote of Thanks*

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

Sd/-
Rakesh Kumar Wadhawan
Chairman

Date: 1st August, 2008
Place : Mumbai